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Managing the tensions between the maintenance of academic standards and the commercial imperative: A case study in UK higher education

Pitcher, Graham

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Managing the tensions between the maintenance of academic standards and the commercial imperative: A case study in UK higher education

Graham Simons Pitcher

A thesis submitted for the degree of Doctor of Business
Administration
(Higher Education Management)

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Department of Management

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A handwritten signature in black ink, reading 'G. S. Pitcher'. The signature is written in a cursive style, with the first letters of each name being capitalized and prominent.

Managing the tensions between the maintenance of academic standards and the commercial imperative: A case study in UK higher education

Abstract

During the past two decades there have been significant changes in the landscape for higher education. Among these was a trend for universities and colleges to respond by adopting a more market-driven approach, leading to the introduction of new public management within universities and colleges, which led to the emergence of tensions between the academic and quasi business aims.

In 2004 the UK government changed the criteria for the grant of degree-awarding powers and university title opening up the possibility for non-public organisations to apply. This thesis presents the case study of a private sector for-profit organisation as it introduced a more robust quality assurance infrastructure during the application process for taught degree-awarding powers. The analysis is undertaken within a conceptual framework developed from institutional and agency theory. The need to demonstrate legitimacy and the influence of key groups played a large part in the changes made. Using data collected via participant observation, key informant interviews and documentary evidence, the study examines the changes and management actions that took place during the period between June 2004 and July 2009 in order to identify the strategies that were adopted to manage the tensions between the academic standards and the commercial imperative of meeting shareholder expectations.

The study contributes to the literature covering change in educational institutions and in particular that which reports on the introduction of a more business-oriented approach to the management of universities. The study is able to bring a new perspective to studying the management of tensions between academic and business aims by looking at the issues from an alternative angle. The key strategy developed was a gradual rationalisation of the academic aims within the business aims such that the duality of aims was diminished.

Key words: Private sector; higher education; change management; market-led; institutional theory.

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Chapter 1 - Introduction

1. The emerging opportunity

In 2003 the UK Government's White Paper, *The Future of Higher Education* (DfES, 2003), changed the criteria that institutions were required to fulfil in order to be granted the power to award their own degrees (DfES, 2004). The White Paper proposed that the criteria for assessing applications for degree-awarding powers should be modernised to reflect the increasing diversity of higher education learning. Following consultation and discussion, a change in the criteria for the granting of degree-awarding powers and university title (QAA, 2004) became effective on 1st September 2004 (DfES, 2004). The Minister stated that:

'In light of the results of both consultations, the government has decided in relation to England:

- to modernise the criteria for the granting of degree awarding powers to make it easier for non-traditional higher education organisations to apply - along the lines set out in the original consultation document;
- to make degree awarding powers for organisations in the publicly funded higher education sector indefinite and fixed for other organisations, subject to satisfactory external quality audit;

(DIUS, Ministerial Statement, 16 July 2004).

This opened up the opportunity for private sector organisations, providing programmes of study leading to a higher education award, to apply for taught degree-awarding powers in their own right.

2. The organisation

One such organisation, referred to here as Holdings plc, specialised in providing educational courses to prepare students for the examinations of business related professional bodies. Starting with accountancy courses the business quickly expanded to add more professions and in the early 1990's Holdings plc opened a Law School offering programmes under a franchise agreement with a post-1992 UK university. After five years the franchise expired and the Law School was validated by the relevant legal professional bodies in its own right. The School was successful in attracting students and succeeded in winning exclusive contracts for the provision of education and training to many leading law firms in the UK. In 2002 the Law School made initial enquiries to the UK Quality Assurance Agency (QAA) concerning degree-awarding powers. The School established that at this time it did not satisfy the criteria necessary to become a recognised degree-awarding institution. However, the changes in 2004 reopened the possibility. The Holdings plc Board of Directors also recognised the potential to leverage the group's expertise in business related

subjects by establishing a Business School. A subsidiary was created, subsequently referred to as The College that encompassed the Law School and the Business School. The Holdings plc Board of Directors saw the market for higher education as a strategic opportunity, providing a natural continuance to the growth strategy, by developing and offering academic awards to both complement and enhance the professional education for which the company enjoyed a strong reputation.

3. The need for change

The College submitted an application for taught degree-awarding powers in November 2004. As part of implementing the strategy, several changes were identified as being necessary. One of which was to strengthen the academic infrastructure of The College. As a consequence of its early association with the post-1992 university the Law School had retained some elements of a university structure, such as programme committees, quality assurance committees and regulations. However, it was felt that it was necessary to develop and integrate a more robust academic structure within the existing business management culture in order to meet the criteria for a degree-awarding institution and to gain legitimacy within the higher education sector.

4. The parallel with public sector institutions

There is a strong parallel to changes that have been taking place within the public sector institutions during the past two decades. The introduction of new public management prompted universities to adopt a more market-led approach to the management and operation of the institution. As university managers began to introduce this more businesslike and commercially-oriented approach to the development of the long term strategy and day to day operations, tensions emerged between the academic and quasi business aims of the institution. A body of research began to emerge based on the introduction of a market-led approach to university management. The lenses through which the authors viewed this change included a strategic perspective (Mouwen, 1997 and 2000; Ogasawara, 2002; Pidcock, 2001); the move towards a more entrepreneurial or adaptive structure (Clark, 1998; Sporn, 1999); the management of performance and cultures (Deem, 1998; Mok, 1999); a questioning approach as to whether the market-driven pendulum had swung too far (Zell, 2001), and more recently: the perceptions of staff (Kok, et. al., 2010) and the impact on academic values (Susanti, 2011).

5. The reverse perspective

The published studies focus on the change from an essentially collegiate, academic approach to management, to a more

managerial, market-led approach. In contrast, The College reversed this and implemented changes that introduced a more robust academic structure into an existing market-led, commercially driven approach to management. This, as with changes that took place within the universities, created tensions between the academic and business aims, but from a different perspective. It seems to be the mirror image of the changes that took place in the public sector universities. But were the tensions that this created different or similar in nature to those reported as being experienced by the university sector? What was the impact on the organisation and what strategies were adopted to manage the tensions that emerged during the introduction of the changes? What lessons can be learned from exploring the literature of documented public sector cases and comparing them with the experience of The College? The case of The College's application for taught degree-awarding powers presented an ideal and unique opportunity to seek to address these questions. The College Board of Directors had successfully managed the emerging tensions whilst enhancing the academic standards and had also met the profit targets each year during a climate of organisational change, which prompted the research inquiry into: How were the emerging tensions between the maintenance of academic standards and the commercial imperative managed? Although the existing literature concerning the move towards a more managerial approach in universities touches on the tensions that arise from the duality of objectives this creates, there is currently a lack of studies that examine this aspect in detail. Insights gained from investigating the issues created by the changes will add to the body of knowledge and understanding from both a theoretical and applied perspective. Theoretically, in that the data is analysed within a conceptual framework embedded in change management and institutional theory providing both support and challenges to the theoretical concepts. Applied, in that the findings identify practical strategies that can inform others following The College in pursuit of taught degree-awarding powers, or indeed by managers in public sector institutions engaged in managing the tensions between academic and business objectives.

6. The context and structure of the thesis

Private sector provision of higher education is growing in many parts of the world and public sector providers are under increasing pressure to operate in more commercial ways by, for example, generating alternative streams of income to supplement the diminishing state funding (see for example Meek, 2000; Eckel, 2007; Kwiek, 2008). This will potentially increase the tensions endemic within institutions and generate the need for cultural change.

The changes that took place within The College were of a strategic nature, arising as they did, from a strategic decision by The College management team, and in turn requiring a change in

the culture of the organisation. These strategic changes and their impact need to be understood within the context of the environment in which the organisation was operating. In terms of understanding a contextual analysis of strategic change Pettigrew suggests that: 'The starting point for this analysis of strategic change is the notion that formulating the context of any new strategy inevitably entails managing its context and process. [The] outer context refers to the social, economic, political, and competitive environment in which the firm operates. Inner context refers to the structure, corporate culture, and political context within the firm through which ideas for change have to proceed.....' (Pettigrew, 1987, p. 657).

Chapter two explores the outer context in order to understand the environment in which the changes took place. This not only provides the context for the changes but also establishes the background to the rationale for the strategic choice made by the Holdings plc Board of Directors to enter the market for academic higher education.

Recognising that The College is a commercial organisation chapter three provides a literature review drawing on the fields of general management as well as the management of strategic change within an educational setting. This approach of utilising general literature coupled with specifically located literature was used successfully by Prichard (2000) when undertaking a study of the experiences of managers within universities and colleges. Also noting that part of the rationale for change at The College was to gain legitimacy within the organisational field of higher education, literature concerning institutional theory, legitimacy and agency is reviewed culminating in the presentation and justification of a conceptual framework within which the data is analysed and interpreted.

Chapter four discusses the research methodology and methods. The use of a single case study approach together with the method utilised for analysing the data collected via participant observation, key informant interviews and documentary evidence is discussed.

In chapter five a narrative approach has been adopted in order to present both the factual developments that took place at The College during the period of study, and the analysis and interpretation of the change processes and the tensions that arose between the dual aims and objectives. The chapter interprets the changes in the context of the pressures that were exerted on management to seek legitimacy within the conceptual framework developed in chapter three and to identify the rationale for the changes made.

The discussion and analysis undertaken in chapter five identifies the strategies adopted to manage the tensions that

emerged from implementing the changes. These strategies are discussed in chapter six together with an analysis of whether they can be deemed to have been effective.

Finally, chapter seven summarises the findings and presents the conclusions together with the answers to the research questions. The limitations and reflections are also presented and areas for further research identified.

Chapter 2 – The changing landscape of higher education

1. Introduction

The past two decades have seen changes in the environment in which higher education is delivered. This chapter provides a review of the key changes that are relevant to the context in which the management of The College made the strategic decision to seek entry into the market for academic higher education awards. The review is not restricted to the UK, as increasingly governments talk in terms of the global market and look to other countries for ideas and inspiration for formulating policies and systems of education that have similar impacts and objectives. The changes discussed also highlight the environmental and regulatory pressures faced by the universities to adopt a more market-led and managerial approach to management, creating the tensions between the academic and quasi-business aims. The changes of policy and practice that made the higher education sector more businesslike also made the sector more attractive to private commercial organisations.

2. Relationship between state and public sector colleges and universities

A key change during the period has been the changing relationship between the state governments and public colleges and universities. Eckel (2007) reported that in the United States this relationship is being redefined to reflect a more market-driven scenario. As part of this change more attention is being paid to the degree of autonomy, accountability and funding of institutions. This is evident in Australia where Meek (2000) reports that the relationship between universities and governments has been characterised by financial stringency, with an increased emphasis on accountability and evaluation of performance. Varghese (2004) confirms that reforms in higher education indicate that there is a systematic shift of control away from governments towards the institutions but notes that in some cases this has been coupled with a strong and explicit external framing and regulation; a more hands off approach, but control via monitoring mechanisms.

As the changed relationship involves increased autonomy it enables institutions to respond more quickly to a changing environment. However, the increased autonomy comes at a price. As a counter measure to the relaxation of regulation, a higher degree of accountability is expected with governments and states setting performance measures that institutions are expected to meet. This link between public finance and increased accountability is borne out by the findings of Ward (2007) who noted that the expansion of public expenditures in higher education in many countries has been associated with demands for enhanced accountability and effectiveness. It is interesting that both Eckel and Ward imply a link between increased accountability and the

adoption of a more market-led approach. In some respects this link between accountability and management approach is consistent with a commercial organisation, as some authors would argue that management is ultimately accountable for their actions to shareholders (see for example, Ribstein, 2005).

3. The emergence of a market-led approach

It is now widely recognised that the ability to respond to changes in the environment is undoubtedly a requirement of universities wishing to maintain their ability to attract student numbers and research funds (see for example, HEFCE, 2003). As government and state funding is reduced, universities also need to generate alternative sources of income in an increasingly competitive market. This requires a more decisive management style in order to be responsive (Miller, 1994). There is evidence of this provided by Clark (1998) in his account on five universities in Europe that were keen to break away from close government regulation and standardisation and become more entrepreneurial in their approach, changing the character of the universities. These universities, he argues, recognised the need to be different and to 'take chances in the market' (Clark, 1998, p.xiv). They were prepared to take risks and as a consequence adopted a more market-led approach to management. However, this was not a new idea. As far back as 1985 the Jarratt Committee made several recommendations concerning university governance, going so far as to suggest that universities were corporate organisations. The Jarratt Report recommended that: more laymen should be involved in the governance; a committee be established to manage resources; Vice-Chancellors should be recognised as the chief executive; heads of department and Deans should be *appointed* rather than *elected* [my emphasis]; there should be more delegation to administrators; and that there was a need for fewer committees. Dearlove (1998) suggested that the UK 'new universities', formed by The Further and Higher Education Act 1992, found the increased marketisation of higher education easier to deal with, as there was no restraining traditional culture of academic self-governance. However, there were, and still are, concerns raised about the commercial and entrepreneurial influences on universities, creating tensions between the traditional academic and emerging commercial pressures which universities were beginning to feel. Akerlind & Kayrooz (2003) reported a concern that the trend towards marketisation of education devalues existing university values and processes, such as shared governance, transparency and collegial debate. Meyer (2007), whilst acknowledging that a more managerial approach is required, warns that a quick decision made by management could cause problems later, and proper debate with faculty involvement is critical to successfully implementing changes. Therefore a complete avoidance of elements of the collegial decision-making process could be unwise. The work of Meyer and Evans (2003), Welsh and Metcalf (2003), and Harloe and Perry (2004) indicate

that institutions need to find a balance between speedy decision-making and making time for staff involvement and consultation.

4. A move towards mass education and diversity of provision

Another key trend during the last two decades is that governments have moved away from elite to mass systems of education. This was in response to a wish to increase participation rates in higher education. Scott (1995) noted that elite systems had clearly demarcated boundaries whereas mass systems are characterised by fuzziness and permeability. One manifestation of this is that elite systems were dominated by traditional universities whereas mass systems incorporate a more diverse range of institution, such as the former polytechnics in the UK. This permeability would make it easier for new organisations to enter the sector. Kember (2010) highlighted the issue in relation to Hong Kong and indeed noted that the expansion of the education sector had been accompanied by a greater diversity of providers. This was one of the reasons why the UK government adopted the changed criteria for the granting of degree-awarding powers as it would firstly recognise, and further, encourage the diversity of the higher education sector in the UK (DIUS, 2004). The work of Kember (2010) also suggests that 'the US system is more devolved and diverse and the private sector has been able to make a greater contribution to the move towards a mass system of higher education' (p.174). A similar effect has been seen in other Asian countries, such as Japan, South Korea and Taiwan (see Hayhoe, 1995; and Wang, 2003). This trend also placed pressure on the universities to adopt a more managerial approach.

When considering the trend towards mass education systems, Yelder and Codling (2004) found that in contrast to Kember's (2010) experience of Hong Kong rather than increasing diversity, the move promoted a progressive loss of distinctiveness amongst universities. Yelder and Codling (2004) noted that rather than increasing diversity and student choice, the market driven funding systems bred conformity as institutions reacted in similar ways to the funding system changes. This is indicative of the notion of isomorphism as described by DiMaggio and Powell (1983). The isomorphic tendencies of organisations within a given organisational field seem highly relevant to the case study where decisions taken increase the similarity between organisations despite the competitive nature of the environment. Neave (1996) in looking at the degree of homogenisation, integration and convergence within higher education identified that newer entrants into the market tended to stabilise themselves by getting more similar to the existing universities. This created a convergence with universities becoming more businesslike in their approach and new entrants seeking legitimacy by adopting the appearance of a university. However, in a study by Huisman and Morphew (1998) there were signs that certain higher education systems may be growing more heterogeneous over time. In referring to this study,

they suggest in a later paper that whilst policies and regulations can constrain institutions and increase homogeneity it is possible that; 'governmental policies – using specific instruments – may "guide" institutions or other actors in specific directions, decreasing homogeneity' (Morphew & Huisman, 2002, p.498). As already noted, part of the rationale for the UK government amending the criteria for degree-awarding powers in 2004 was to recognise the diversity within the higher education sector. In examining the experience of The College it will provide some evidence into whether the mechanisms that accompany the change will encourage homogeneity and thus reduce the diversity within the sector, or whether it will be successful in maintaining the diversity it seeks to recognise, or indeed increase it.

Allied to this, the concept of 'academic drift' was discussed by Teichler (2002) who identified that the notion was particularly relevant to institutions set up with a specific emphasis on vocational subjects and teaching, where they gradually attempted to broaden the subject range and introduce elements of research, thus seeking to strengthen their legitimacy by adopting the practices of more established and recognised institutions. Kinser (2006) found from a study of for-profit education in the US that colleges often begin by offering a narrow range of degree programmes but are then driven to seek to offer other high demand programmes. Perhaps of more relevance to the case study of The College, Teichler (2002) also noted that there was an element of 'professional drift' in that some universities turned towards more vocational subjects and applied research (see also Williams, 1985).

5. Governments see universities as supporting economic prosperity

As governments have sponsored the move from elite systems of education to mass education so the notion of vocational subjects as supporting economic prosperity has risen. As part of the drive towards a knowledge economy the 'European Union and national government policy documents all exhort universities to develop knowledge in concert with a variety of stakeholders' (Jacob & Hellstrom, 2003, p.49). Etzkowitz et al (2000) identified that universities are in an era of transition, and Nelles and Vorley (2010) picking up on this theme, talk about the increasing expectation that universities would engage formally with the economy as well as society, echoing the findings of Jacob and Hellstrom (2003). They discuss an entrepreneurial architecture in which a university is able to integrate the 'newly emphasised and frequently commercially-oriented activities' which are now framed in what is called a Third Mission (see Laredo, 2007). Prior to this, Marginson and Considine (2000) developed the idea of the 'Enterprise University' from the work of Clark (1998) which favours business values and income generation and where the management is characterised by a stronger executive (non-

academic) culture of control (see also Davies, 2001). It was therefore accepted that university structures need to change in response to the changes in the environment driven by the government and state policies on funding, regulatory systems and the role of education. However, there is the danger that the increased marketisation of the sector has worked against the social objectives of higher education as institutions compete for fee paying students. Salter and Tapper (2002) put forward the premise that when the economic ideology begins to permeate the traditional values of universities, the basic principle of higher education becomes education as an economic resource contributing to economic development, and less focus is placed on its social relevance.

6. Increased levels of competition

As governments and states changed their approach to educational funding, Harley (2002) reported a decline in research income within the universities, which led to increased competition for research funds (see also Lynch & Baines, 2004). It is not just research funding for which universities compete. Even though governments are keen to increase participation rates, universities still compete for student numbers. Indeed universities compete to attract the best students. Lynch and Baines (2004) suggested that due to the change in criteria for UK degree-awarding powers more further education institutions would be granted degree-awarding powers from academic year 2004/2005 (Hansard, 2003) with the consequence of an increase in competition for student customers. The changes in criteria for granting degree-awarding powers is not confined to the UK. Moodie (2007) highlights changes that were taking place in several countries, such as the US, Canada, Australia and New Zealand. These changes have resulted in increased competition between institutions and universities adopting more corporate mission statements making claims about what a degree from the institution can offer. This in turn has added to the calls for increased accountability as universities are open to having their 'product' challenged in terms of quality, i.e. they must deliver what they say they will deliver (Onsman, 2008). However, Marks (2008) highlights a potential concern that the increasing market-orientation of institutions and a growing tendency to treat students as customers, whilst running a higher education institution as a commercial enterprise, could have consequences for the quality of the higher education provided. Ward (2007) draws attention to the concern that a move towards a more market-related basis of new revenues may create incentives that distort the core missions of higher education institutions, as purely utilitarian motives drive both curricula and research. In fact Ward suggests that the market-based policies of governments, entrepreneurial policies of institutions, and the selective decision-making of students, has aided the development of mission differentiation and institutional diversity. This can be contrasted with the findings of Yelder and Codling (2004), and Neave (1996)

discussed earlier. The difficulty faced by universities is manifest in the research findings in that whilst the environmental pressures are such that all universities are adopting a more corporate approach and thus becoming more homogeneous, each institution must find its own means of differentiating itself in the market from the competitors.

7. Growth in private sector vocational providers

As the governments of many countries moved towards increasing the number of students undertaking higher education, together with the move away from an elite to a mass system of higher education, the number of institutions granted degree-awarding powers increased, particularly the number of private organisations. Varghese (2004, p.30) suggests that in many countries there are a growing number of private institutions. One of the reasons put forward for this trend is that the courses offered by private universities are attracting enrolments enabling this sector to grow. These courses are in some cases predominately addressing the needs of the workplace (Jacob & Hellstrom, 2003; Ward, 2007). Perhaps the days of universities offering courses decided by academics are gone, to be replaced by courses demanded by students who are interested in achieving a return on their investment by taking courses that increase their employability (Summerville, 2005; Eckel, 2007). In many universities the curriculum now encompasses more optional subjects that students can choose, rather than being a fixed set of topics (Mok, 1999). Harman (2003) highlights studies that reported an increasing tension between the traditional view of academic work and the focus on increased teaching, less time for pure research and more pressure for industry-sponsored research. Linking this to funding could force faculty to seek to invest in subjects that are popular rather than being of academic significance and needing more time for development (Mok, 1999). To some extent this had happened as more recently universities are cutting back on courses that are not generating recruitment due to lack of demand (Hopkin, 2011). This will increase the degree of 'professional drift' in curricula noted earlier (Teichler, 2002; Williams, 1985). In some respects the growth of the business school within universities is evidence of the growth in economic based subject offerings. Spanier (2010) notes that universities are now expected to engage with more stakeholder groups and in particular students. This draws together the idea of governments requiring universities to address the needs of a wider group of stakeholders (Jacob & Hellstrom, 2003) referred to earlier, the emphasis on vocational subjects (Ward, 2007) and the view of students as customers (Summerville, 2005); all of which could be supported by a more corporate style institution - perhaps from the private sector.

The trend towards private sector education providers is prevalent in Central and Eastern European countries (Kwiek,

2008). This is partly due to the conditions of financial austerity and the challenges resulting from the ongoing political and economic transformations toward market economies. Coupled with this the move from an elite system to a mass higher education system has created a gap in provision which can be filled by the private sector. Although their managerial and market approach means that the private sector organisations do not attract much in the way of research funds, they are often very successful teaching institutions. This appears to be a trait found in other countries. Yokoyama (2006) found similarities between the Japanese universities and those in the UK where the national and old universities emphasised research, but the private and new universities focused on teaching. There is an issue of quality assurance that arises here as the opening up of the system to private providers may be accompanied, as in Poland, (Kwiek, 2008) by liberal quality assurance mechanisms and licensing and accreditation procedures, with guidance provided via an enabling framework (see also Steier, 2003). However, the market forces that operate in a competitive market for rising numbers of students can act to monitor quality as institutions seek to differentiate themselves by monitoring the labour market requirements and tailoring courses appropriately, opening career centres, and introducing explicit internal quality assurance mechanisms. These organisations are more market-driven, and consumer-driven in their orientation that 'they derive much of their legitimacy from the students and families who are willing to pay for their services' (Kwiek, 2008, p.9). Private for-profit colleges have often been successful at attracting students because they offer degrees in curricula that are in higher demand from employers and students (Floyd, 2007). This career-oriented education is valued by governments as well as individuals. The issue here is that private sector institutions are able to focus on their accountability to the student (customer), the shareholders or board of governors, and the regulatory bodies. The public sector has many more stakeholders to satisfy, albeit potentially dominated by a government or state, but is possibly faced with meeting more, and potentially contradictory, accountability criteria than the private sector.

8. Changes in the UK higher education environment relevant to private sector vocational education providers

There were many environmental factors within the landscape affecting higher education institutions in the UK, but several elements occurring in the early to mid 2000's had particular relevance to private sector vocational providers. For example, the UK government agenda on education, which included widening access and employer engagement, and the publication of the Leitch Report (2006) which emphasised the importance of increasing the skills of the UK population. Private providers of professional education were not tied to academic years, nor did they carry the historic culture of the universities, which would

facilitate the ability to offer flexible and innovative offerings in the market. The UK Government's decision to encourage universities to pilot two year condensed degree courses, first announced in 2003 (DfES, 2003) provided an opportunity where private providers could potentially compete. The Government's introduction of top-up fees affected the economic conditions under which higher education institutions operated. As private sector providers were unable to access government funding, any increase in fees charged by the public sector institutions made private sector provision increasingly viable. On other fronts, employer organisations were highlighting potential shortages of skills in certain sectors of the economy (CBI, 2005; CBI, 2006). The government was keen to increase access by encouraging young people to continue in higher education (DfES, 2003). This was articulated in the funding council's strategy (HEFCE, 2003, rev.edn. 2004) which included a call for increased participation to 50 per cent through widening participation initiatives; enhancing excellence in learning and teaching, and in research; while also calling for an enhanced contribution of higher education to the economy and society (Barratt & Barratt, 2007). Encouragement for mature learners and vocational skills had been encapsulated in government papers (DfEE, 1998). Further the impact of recent increases in student tuition fees has caused uncertainty for many universities about the effect on student numbers and league tables has added to the competitive climate (Barratt & Barratt, 2007). These changes with the increased emphasis on accountability and quality assessment have put more pressure on the university staff (Middlehurst, 2004). Universities have had to respond in a more flexible way and actively manage and compete for resources. Pilbeam (2008) suggests that universities could be said to be operating in an academic market place competing among other things for student and staff resources (see also Slaughter & Leslie, 1997; Barnett, 2005). This increased competition and need for flexible responses to environmental changes, made entering the market for higher education an attractive proposition for private sector organisations whose structure and governance make them more likely to be adaptable to competitive markets.

9. A strategic opportunity

The changes that were taking place in the global environment at the time the UK Government introduced the changed criteria for degree-awarding powers created the ideal opportunity for a private sector institution, such as The College, to seek to enter the market. The shift in the control from state to universities coupled with increased accountability, and the move towards a system of mass education with increasing support for vocational skills all made for a sector attractive to private sector providers. An interesting factor that is prevalent in the literature that reported these changes in the environment is that it all points to the need for a more responsive approach, which is accompanied by the doctrine that it requires a more managerial approach to be

introduced into the university system. This potentially puts private sector commercial organisations at an advantage in that they are used to operating in a competitive environment and meeting market needs. However, The College management team recognised that it was entering an established and regulated market and that in order to gain degree-awarding powers it would need to be accepted as a legitimate institution by the QAA and the wider higher education community.

The next chapter discusses existing studies that examine how institutions dealt with the change management issues relating to the introduction of a more managerial approach as part of the response to the changes in the environment in which they operated. In some cases these touch on the tension created by dual objectives. The discussion then moves on to explore relevant theoretical frameworks culminating in the presentation and justification of a conceptual framework within which the data can be analysed and interpreted.

Chapter 3 – Literature review

1. Introduction

The framework for a contextual analysis of strategic change developed by Pettigrew (1987), referred to in chapter one, provided a foundation for establishing the context in which the study took place. Following a brief review of relevant authors in change management this chapter focuses on the literature within the educational setting. In particular it focuses on the literature appertaining to change as a result of introducing a more managerial approach to higher education institutions. The College forms the basis of a single case study (see chapter four for details) and as suggested by Yin (2003) it is important that alternative explanations should be explored and considered. The chapter discusses relevant theoretical lenses, such as strategic response, institutional and resource dependence theory, chosen for their potential to shed insight into organisational responses to environmental factors and to some extent due to their usage by other authors in educational settings. The discussion culminates in the presentation and justification of a conceptual framework within which the findings are interpreted.

2. Change management

In reviewing the literature on organisational change there is much that has been written on the management of change and leading authors such as Kotter (1996, 2002, 2008), Pettigrew and Whipp (1991), Kanter (1983), Beer and Nohria (2000), Thornhill et al (2000), and Morrison (1998) all have relevance to the strategic change undertaken at The College. There are also many lenses through which change can be viewed, for example leadership and change (Kotter, 1996), the change management process (Pettigrew, 1988), change management strategies (Bennis, Benne & Chin, 1985; Balogun & Hope Hailey, 2003; Dunphy & Stace, 1990; Stace & Dunphy, 1994), change theories (Beer & Nohria, 2000) and the degree of change such as transformational (Bartunek, 1988) or second order change (Bartunek & Moch, 1987; Watslawick et al, 1974). Reference will be made to these, where relevant, to aid the interpretation and understanding of the case study analysis provided in chapter five. However, the review provided here draws on the literature with direct reference to change in an educational setting or change theories that have particular relevance to the context in which the study took place. The use of general literature coupled with specifically located literature was utilised effectively by Prichard (2000) who undertook a study of the experiences of managers within universities and colleges in which he drew not only on the literature of educational management but also on the more general business and management literature. The changes in the environment in which higher education institutions ply their trade have prompted academics to study and reflect on the effect of those changes. As a

result there is a growing body of literature on change within higher education institutions based around the changes that occurred, and which are still taking place, in relation to the change to a more managerial form of management. The various perspectives from which these papers discuss the changes within the organisation include: leadership studies (Davies et al, 2001; Brown, 2001; Kulati, 2003); organisational development (Turnbull & Edwards, 2005, Torraco & Hoover, 2005; Torraco, 2005); change management (Patterson, 1996; Navarro & Gallardo, 2003); organisational culture (McNay, 1995); and work-life balance (Winter et al, 2000).

3. Introducing a managerial approach in an educational setting

A paper published by Kulati (2000) highlights the dilemma that many institutions within higher education systems around the world encountered during the last two decades given the changes outlined in chapter two. In this paper, which examined the shift in the governance and management of higher education institutions from a system predicated on administrative processes to one that is characterised by a more managerial and entrepreneurial approach to leadership, Kulati (2000) noted that institutions had begun to recognise the need to change. In a later paper published in 2003, Kulati had identified from observations over a five-year period in South African education institutions that there were essentially two variants of transformative leadership approaches being adopted. It is significant that from management literature on transformational change, or transformational leadership, the term transformation seeks to change an organisation in a major way, i.e. the emphasis is on *transforming* the organisation (Bartunek, 1988). It was not just a small incremental change that was occurring in universities, but in many cases it was a significant cultural shift that was being planned (see for example, Balogun & Hope Hailey, 2003; Dunphy & Stace, 1990). Kulati termed the leadership approaches adopted in the South African educational institutions as transformed collegialists and transformative managerialists. The transformed collegialists, which were primarily white English-speaking universities with a tradition of collegial governance, took the approach that change starts from the premise that at the centre of the transformation project lies the pursuit of excellence in scholarship and research. Their instinct was to work within the confines and limits of the prevailing institutional culture, rather than to war against it (see also Birnbaum, 1992). The transformative managerialists, which were historically Afrikaans institutions and were predominantly technikons (pre-1992 polytechnics in UK terms), in contrast had to transform an existing authoritarian culture to a more democratic one. These institutions found it easier to adopt the changes to governance and management but experienced problems establishing their legitimacy in the higher education sector. Although Kulati's research is based on South African institutions there are parallels

with the UK and the case of The College that are discussed later in this chapter where it is evident that the older, more traditional UK universities attempt to adapt by retaining the high academic principles and as a result often encountered significant resistance from internal factions to change towards a more managerial approach, but the newer universities, already run along more managerial lines found it easier to adapt (see for example Dearlove, 1998b). Kulati (2003) discusses different leadership approaches and notes that depending on the organisations historical context different approaches may be adopted. For example the majority of technikons were more concerned about their reputation in terms of performance in the market and developed strong links with industry and the international donor community. In historically more academic institutions a more transformational approach was adopted as the management needed to reconfigure the institution to make it more competitive and market-oriented by adapting the principles of corporate management to a higher education setting. It is interesting that Dunphy and Stace (1990; also Stace & Dunphy, 1994) in their studies of corporate transformational change found that a more directive style of management applied to cases of transformational change was more effective than a collaborative, or if translated to higher education, than a collegial style of management. This has parallels with Kulati's (2003) findings in the higher educational setting.

An alternative view of change management in universities is taken by Torraco (2005) who discusses the different approaches under an organisational development approach where the purpose is to develop the organisation's capability to respond to changes in the environment, and contrasts this with a top-down management-driven change approach. Torraco likens this to Beer and Nohria (2000) theory O, a change process that encompasses all levels and is typically participative in nature, to that of the top-down management-driven approach referred to as theory E. The historical culture of the institution will affect the degree of acceptance or resistance to changes depending on the approach adopted. This is consistent with the findings of Kulati (2003). Therefore how easily change is achieved can be affected by the culture and the leadership approach adopted. The traditional view and nature of academic work is explored by Winter et al (2000) who sees the rise of managerialism in academe as a source of potential conflict. This is based on what they see as the fundamental contradictions that exist between professional and managerial paradigms for structuring academic work (see also Nixon, 1996; Randle & Brady, 1997). The disruption of academic freedom and the imposition of more structured workloads and performance targets are seen as detrimental to the traditional work of academics. Turnbull and Edwards (2005) point out that what they see as a major cultural change is necessary to enable institutions to 'compete in an increasingly unpredictable sector in which funding is no longer seen as the responsibility of the state'

(p.396). Mouwen (2000) suggests the friction between the traditional academic culture and the modern market-driven culture is both inevitable and unavoidable given the changing landscape of higher education. In sympathy with this view, Davies et al (2001) suggest that the old notion of collegiality does not sit comfortably with pressures from 'customers who expect a business-like response in dynamic situations' (p.1025). Political and social changes are requiring a shift in how universities are managed and led (Brown, 2001; Davies, Hide, & Casey, 2001; Froeschle & Donahue, 1998; Kulati, 2003) with some commentators suggesting that universities should learn from the private sector with a view to moving toward a more entrepreneurial outlook (see for example Turnbull & Edwards, 2005). This is also highlighted by the increasingly competitive nature of the environment. Navarro and Gallardo (2003) note the rise of, and emphasise the need for, strategic management within universities and specifically within this area they draw attention to the task of the management of change. In what they describe as a hyper-competitive market, they suggest that the survival of the institution and its ability to compete rely upon its capacity to renovate and change (see also Hamel & Prahalad, 1994; Teece et al, 1997). This complex and dynamic environment demands the strategic management of universities, a greater emphasis on the quality of their services and more attention to the market perspective (Keller, 1983). Navarro and Gallardo (2003) also suggest that this requirement is demanded of universities not least because their old organisational structures may be considered obsolete. Universities, they say 'lack the capacity to respond to social needs with speed, efficiency, effectiveness and quality' (p.202). Thus they conclude that there needs to be a reappraisal of the 'current systems of management, organisation and administration of our universities' (p.202).

Whereas these studies tackle the issue of change from the perspective of introducing a more managerial approach to an existing academic culture and refer to the tensions that arose as a result of the change, the situation of The College provides the opportunity to examine the tensions created by the strengthening of an academic culture within an existing managerial approach, i.e. the reverse effect. Although the existing studies referred to point to the fact that tensions arise between the academic and business objectives of the institutions as a result of changes, they do not examine in detail the strategies that were adopted to manage these tensions. The College provides the opportunity to examine this aspect in much more detail than existing studies have hitherto attempted. This is the major contribution of the study to the change management literature within a higher education context.

4. Strategic planning and the management of change

In section three of this chapter it was noted that Keller (1983) suggested that universities need to take a more market-driven perspective and Navarro and Gallardo (2003) commented

on the need for universities to adopt a more strategic approach to management. These changes in approach require a cultural change within universities. This suggests that if universities do not have a strategic approach then as Teece et al (1997) argue they will not be able to respond to changes in the environment. During the late 1990s and early 2000s authors such as Clark (1998), Mouwen (2000), Pidcock (2001), Davies (2001), Turnbull and Edwards (2005), and Navarro and Gallardo (2003) have all stressed the need for universities to adopt a strategic approach to management that is akin to a more business-like organisation. The Higher Education Funding Council for England (HEFCE, 2000) published a guide on strategic planning in universities targeted at an audience of the heads of department, which drew much of its content from published works primarily concerned with strategic planning in corporate organisations. The paper highlighted that to adopt such systems, processes and management structures required the universities to change. The College, however, already had the systems and structures appropriate for a corporate organisation. It had grown during a ten year period by adapting to market needs and as Giesecke (2006) suggests universities need to achieve, The College had found a niche in which it was most likely to be able to demonstrate its effectiveness. There is therefore an argument that suggests that the strategic decision was simply part of a strategic plan and that in implementing that plan, due to the strategic nature of the decision, changes needed to be made (Pettigrew, 1987). Strategic planning takes account of changes in the environment and will encompass the institutions strategy for responding to that change (Johnson et al, 2005). It could equally be argued that the universities were responding to changes in the environment, such as the increased autonomy or loosening of the control from states and governments accompanied by the increased need for accountability. It can be seen that the approach to strategic planning adopted by management will open the organisation to various influences, internal or external, and pressures from agents which will inevitably create tensions that require managing during both the development and implementation stages of strategy.

In the case reported by Kulati (2003), change was potentially seen as a threat to the various institutions to which the management teams responded in different ways. It could be helpful to consider that The College management team, whilst faced with a somewhat different change in the environmental conditions, took advantage of the opportunity the changes presented and embarked on the implementation of a strategy that required certain changes to its structure and culture. Indeed, a change in strategy and operating activity would undoubtedly entail changes to the organisational structure, systems and management processes (Ramanujam & Varadarajan, 1989). Strategists would argue that the organisation was merely engaging in the practice of sound strategic management. In the context of strategic choice within the university sector, organisations will naturally seek to

find a niche within the environment in which it can successfully compete for customers, market share, improve financial performance and also relate with society at large (Keller, 1983; Sporn, 1999). Clearly this is relevant to the case of The College in that the changing environment produced an opportunity which the management team decided to exploit as the change in degree-awarding criteria removed a previous barrier to entry (Porter, 1985).

The role of innovation in change in higher education was investigated by Easterby-Smith (1987) and how this can be harnessed within corporate strategy and organisational development. He identifies at least four levels at which higher education institutions might be able to adapt and innovate. These, he suggests, include the content of subjects/disciplines, processes in which these are communicated, the balance of subjects/disciplines and institutional structures and systems. Easterby-Smith lists among his conclusions that it is important to pay attention to the environment when formulating strategy as well as the need to think carefully about the institutions distinctive strengths and how they can fit best into their environments. There is a sense of developing a competitive strategy emerging from the paper which is taken up by other writers. Taylor and Karr (1999), writing about strategic planning issues, quote Karr and Kelley (1996): 'The process requires at least three fundamental activities: discovering institutional strengths and weaknesses, looking to the environment in an attempt to discern potential threats and opportunities, and seeing how the institution can best respond to both' (p.34). They suggest that strategic planning is a matching process between an institution and its environment predicated on a realistic evaluation of both. They conclude, 'strategic management helps align the institution with environmental events in making effective decisions to move the institution forward in a prescribed fashion. Innovative solutions formulated from strategic mindsets and planning approaches suit well in the rapidly changing environment of colleges and universities' (Taylor and Karr, 1999, p.233). This echoes Keller (1983) who suggested a framework for strategic planning in universities that incorporated consideration of the external and internal environments.

As mentioned previously in this section, it may be helpful to view the actions of The College management team as a strategic response to environmental changes. It could be argued that its managerial approach allowed it to respond to the changing environment, which is part of the rationale of governments and states encouraging the new public management approach in universities (HEFCE, 2000). Whilst this would locate the changes made at The College within a strategic planning framework, it must be remembered that The College was entering a new market sector. As highlighted in the review of the changing landscape of higher education, the move towards a more managerial approach within universities had been accompanied by demands for

increased accountability and guidance via quality frameworks. The QAA is the guardian of academic standards in the UK and The College had to ensure that it was seen as a suitable institution to hold degree-awarding powers if it was to be allowed to join 'the club'. In short The College needed to make sure that it was seen as legitimate (see Kulati, 2003, discussed in section three). It is possible that it was this seeking of legitimacy that led the management to decide to strengthen the existing academic structure.

5. Seeking legitimacy

For The College to be granted degree-awarding powers the institution would be under the scrutiny of the QAA. The scrutiny team would consist of members drawn from existing universities or individuals who had significant experience of working in an academic and regulated environment. Therefore there may be a strong case for explaining some of the changes made by The College management as a desire to be seen as a legitimate institution in the eyes of the regulator, its peer institutions and other stakeholders. The literature on legitimacy is extensive and is linked to institutional theory in that the seeking of legitimacy by new entrants to a market leads institutions to adopt the recognised practices of the organisational field and its participants (DiMaggio & Powell, 1983). There have been several studies that utilise institutional theory to explain changes within higher education institutions. For example, Aurini (2006) who undertook an institutional analysis of private education businesses; Burch (2007) who looked at educational policy and practice from the perspective of institutional theory; Gates (1997) who applied aspects of institutional theory to University retrenchment; Giesecke (2006) applying institutional theory to new private institutions in higher education in Central and Eastern Europe; Hodson and Connolly (2008) studying institutionalisation in a newly created private university; Morphew and Huisman (2002) using institutional theory to reframe research on academic drift; and Stensaker and Norgard (2001) investigating innovation and isomorphism: a case study of university identity struggle. However, as already noted, The College took advantage of an opportunity brought about by a change in its environment. As part of implementing this strategic decision it could be argued that it needed to strengthen the academic structure in order to offer academic awards alongside the existing professional award for which it provided education and training. So, why were the changes made and what was the impact on the organisation? Management theory would suggest that organisations make a series of decisions as part of implementing a strategy. These decisions and the change management process are concerned with ensuring that the organisation still operates efficiently and effectively to achieve its objectives (Johnson et al, 2005). Institutional theory referred to above suggests that managers may make decisions for the sake of legitimacy rather than operational efficiency (Meyer & Rowan, 1977). One could

imagine that in an organisation that is concerned with efficient operations in order to maximise profitability, making changes for the sake of legitimacy that reduce efficiency would create tension within the organisation. So how were these tensions managed within The College and can theory shed insight into the process of successfully implementing the changes necessary to gain admittance to 'the club'?

As universities were encouraged to adopt a more market-driven, commercial approach, thus enabling them to respond to the changes more effectively, it would be possible to infer that universities should be viewed as open systems. The concept within strategic management of environmental scanning (Johnson et al, 2005) supports this view. The significance of viewing universities as an open system is that the environment is seen as a significant element in the system. It is part of the system rather than simply signifying the boundary to the system. Scott (1987) suggested that open system theories have reconceptualised organisational boundaries as porous and problematic. This creates a difficulty in that it is not always possible to identify whether a change is initiated from the environment or from the system. Institutional theorists however have stressed that many dynamics in the organisational environment stem not from technological or material imperatives, but rather from cultural norms, symbols, beliefs, and rituals (Powell & DiMaggio, 1991; Suchman, 1995). In other words the environment can be changed and impacted on by internal factors within an organisation field. For example in respect of The College, the decision to seek degree-awarding powers may have impacted on the environment and indeed, once degree-awarding powers were gained, changed the environment, so the decision could have been a response to the environment that in turn changes the environment. This would prompt other players in the market to adopt a stance or action in relation to the environmental change. At the core of this argument lies the concept of organisational legitimacy, in that organisations seek to be seen as legitimate by adapting in similar ways to environmental changes, i.e. the strategic response made reinforces legitimacy if it corresponds to how others have responded and thus endorses a 'correct' response. In order to assess whether decisions are taken for purposes of gaining legitimacy or simply as a natural strategic response within a well conceived strategic plan we need to examine what is meant by legitimacy.

Over the years, social scientists have offered a number of definitions of legitimacy, with varying degrees of specificity. In one of the earliest genuinely organisational treatments, Maurer (1971) suggested that 'legitimation is the process whereby an organisation justifies to a peer or superordinate system its right to exist' (p.361). Pfeffer and his colleagues (Dowling & Pfeffer, 1975; Pfeffer, 1981; Pfeffer & Salancik, 1978) retained the emphasis on evaluation, but highlighted cultural conformity rather than overt self-justification. In this view, legitimacy connotes 'congruence

between the social values associated with or implied by [organisational] activities and the norms of acceptable behaviour in the larger social system' (Suchman, 1995, p.573). Drawing on previous work of Weber (1978) and Parsons (1960) Suchman (1995) offers his own definition. 'Legitimacy is a generalised perception or assumption that the actions of an entity are desirable, proper, or appropriate within some socially constructed system of norms, values, beliefs and definitions' (p.573). In contexts where the institutional and the internal organisational, or technical, pressures are relevant - for example The College attempting to satisfy the QAA requirements whilst remaining profitable - organisations seek to obtain not only efficiency but also legitimacy, and must identify and satisfy the requirements of their stakeholders (see for example, Fernandez-Alles & Valle-Cabrera, 2006; Pfeffer & Salancik, 1978; McLarney, 2002). If legitimacy is important, indeed essential for the survival of organisations, how can legitimacy be assessed? Terreberry (1968) provides one suggestion. 'The view taken here is that legitimacy is mediated by the exchange of other resources. Thus the willingness of firm A to contribute to X, and of agency B to refer personnel to X, and firm C to buy X's product testifies to the legitimacy of X' (p. 608). Terreberry, therefore, would suggest that legitimacy is assessed by the existence of resource or informational transactions between organisations. So, for example, The College being accepted by the higher education sector as legitimate and allowed admittance to higher education communities such as academic library associations, committees of departmental heads, support via formal and informal networks of research activities and participation as external examiners. The QAA may deem that the quality assurance, governance structures and management are such that the organisation is capable of maintaining and enhancing quality standards, but true legitimacy may not be gained until The College is accepted by the wider higher education community.

Many recent studies of legitimacy seem increasingly divided into two distinct groups – the strategic and the institutional – that often operate at cross-purposes. Suchman (1995) reports that work in the strategic tradition (see for example, Ashforth & Gibbs, 1990; Dowling & Pfeffer, 1975; Pfeffer, 1981; Pfeffer & Salancik, 1978) adopts a managerial perspective and emphasises the ways in which organisations instrumentally manipulate and deploy evocative symbols in order to garner societal support. So, for example, The College management, once taught degree-awarding powers are granted, could seek to emphasise the excellent ratings it had received for a number of years by professional bodies such as The Law Society and The Bar Council. Thus it could emphasise the reputation it had for legal education. However, this would perhaps not be that effective in gaining legitimacy within the organisational field members itself as the universities, by virtue of their own law schools, would know that there is a difference between providing education for externally-examined professional qualifications and awarding an institution's own academic awards.

In contrast, work in the institutional tradition (see for example, DiMaggio & Powell, 1983; Meyer & Scott, 1983; Zucker, 1987; Meyer & Rowan, 1991; Powell & DiMaggio, 1991) adopts a more detailed stance and emphasises the ways in which sector-wide structuration dynamics generate cultural pressures that transcend any single organisation. Based on this perspective it suggests that The College management would feel pressure to adopt common practices as a means of seeking legitimacy, and of seeking the wider acceptance within the sector as referred to earlier in this section. However, legitimacy-building is generally seen as a proactive enterprise, because managers have advance knowledge of their plans and of the need for legitimacy, and therefore can adopt appropriate strategies.

According to Dowling and Pfeffer (1975) legitimacy-building strategies fall into three broad clusters: (a) efforts to conform to the dictates of pre-existing audiences within the organisation's current environment, (b) efforts to select among multiple environmental factors audiences that will support current practices within the current environment, and (c) efforts to manipulate the structure of the environment by creating new audiences and new legitimating beliefs. All three clusters involve complex mixtures of concrete organisational change and persuasive organisational communication; however, they clearly fall along a continuum from relatively passive conformity to relatively active manipulation (see for example, Oliver, 1991). However, not all clusters are open to organisations. For example, The College could simply seek to satisfy the QAA requirements; or seek to select stakeholders such as the QAA, other universities, potential students and parents. However, it would be very difficult to create new audiences and new legitimating beliefs within the organisational field. This implies that whilst there may be a continuum, the whole continuum is not always available to organisations and consequently strategic choices are limited.

Often, managers seeking legitimacy will find it easiest simply to position their organisations within a pre-existing institutional regime. Such conformity can be achieved by individual organisations acting alone, manipulating only their own structures (or, more modestly, their superficial appearances). Conformist strategies signal allegiance to the cultural order and pose few challenges to established institutional logics, thus acceptance is less problematic (Meyer & Rowan, 1991). Suchman (1995) suggests that if organisations gain pragmatic legitimacy by conforming to instrumental demands and moral legitimacy by conforming to altruistic ideals, they gain cognitive legitimacy primarily by conforming to established models or standards. Along these lines, institutionalists point out that organisations in uncertain environments often pursue comprehensibility and taken-for-grantedness through mimetic isomorphism, that is, by mimicking the most prominent and secure entities in their fields (DiMaggio & Powell, 1983; Tolbert & Zucker, 1983). This however,

may not always be possible as, for example, The College would find it difficult to mimic the research led universities, or possibly even the top-rated post-1992 UK universities. It could be argued that the environment within which the higher education institutions are operating in many parts of the world is becoming complex and dynamic and as a result becoming increasingly uncertain. Therefore, as noted earlier the choice of legitimating strategies open to organisations may be limited when practicalities are taken into consideration. This will impact on the management's ability to find an acceptable balance (to the stakeholders) between the academic and commercial objectives, thus increasing the potential for tensions to emerge and create conflict within the organisation (see Winter et al, 2000).

It is important for organisations to maintain the legitimacy once gained. One method is to ensure that the organisation has in place a mechanism to recognise audience reactions to activities and to foresee emerging challenges to the legitimacy. This has parallels in the strategic management literature where concepts such as stakeholder mapping (Mendelow, 1981) and environmental scanning (Johnson et al, 2005) can be found. Within the arena of institutional theory, Hinings and Greenwood (1988) noted, 'a common theme in the [organisational] decline literature is that decision-makers often delude themselves into believing that a problem does not exist or that it is not serious' (p.56). Thus, managers must guard against becoming so encouraged with their own legitimating myths that they lose sight of external developments that might bring those myths into question. With advance warning, managers can engage in pre-emptive action, or manipulation, keeping the organisation and its environment in close alignment; without such warning, managers will find themselves constantly struggling to regain lost ground. In general, perceptual strategies involve monitoring the cultural environment and the assimilation of that environment into organisational decision processes, usually by employing boundary-spanning personnel (Checkland, 1999) as bridges across which the organisation can learn about audience values, beliefs, and reactions (Scott, 1992). This too has echoes in the management literature concerning a systems view of organisations and the concept of organisations as open systems. The concept of boundary spanning activities sits well with the higher education sector as externality is encouraged and joint research projects, external examinerships, and other external links are means of gaining legitimacy. For The College, the forging of external links would be part of the legitimacy seeking strategies, especially within the wider higher education sector. The idea of monitoring audience reactions is highlighted by Ashforth and Gibbs (1990) who suggest that organisations, having gained legitimacy, are in danger of relaxing their vigilance and being content with 'business-as-usual' resulting in missing a change in response. Consequently, organisations should avoid unexpected events that might reawaken scrutiny. This notion is highly relevant to The College as

having gained degree-awarding powers it would be easy to take an action that created a renewed interest in its activities, particularly as the powers are granted on a renewable basis, and are not granted in perpetuity.

6. Institutional theory

The strategic decision to develop academic awards meant that The College was entering a highly institutionalised environment. Burch (2007) in a study noted that public schools and the agencies that oversee them operate in a very complex fiscal and regulatory environment (see also Rowan, 1982). Meyer and Rowan (1977) suggest that in such environments organisations are driven to incorporate the practices and procedures of established organisations. As has been shown they do this so as to increase their legitimacy and survival prospects. It is suggested that organisations adopt the practices and policies, even if doing so conflicts sharply with efficiency criteria. To combat the problem of adopting practices that are necessary for reasons of legitimacy, but may be operationally inefficient, an organisation engaged in the field of education may engage in loose coupling by 'separating its formal structure (e.g. instructional activities) and the effects of its activities (e.g. achievement scores)' (Meyer & Rowan, 1978, p.79). For example, The College is a subsidiary of Holdings plc, but it was The College that was the legal entity that applied for degree-awarding powers. A structure was developed that ensured that The College was autonomous and in charge of its own destiny, so that the possibility of Holdings plc bringing undue commercial pressure on The College to achieve profit targets at the expense of the quality of its educational provision was minimised. However, profit targets were still set, and a memorandum of understanding agreement between Holdings plc and The College recognised that The College still had a responsibility to shareholders. Profits were made as a result of students being successful but the profit element was not emphasised, it was the student success. This is unlike most commercial organisations where the profit is highlighted to indicate success. Certainly as far as the organisational field that The College was entering, it was academic success that would gain legitimacy, not profit levels. Therefore the concept of loose coupling could explain how the organisation would gain legitimacy by outwardly adopting the language and practices and standards of academia but internally managing the organisation as a commercial entity. This could also be the source of significant tension between the academic and commercial objectives. This is relevant to the existing universities who are adopting a more managerial approach as, for example, the government policy on funding is forcing universities and colleges to seek alternative forms of funding and to act in a more commercially competitive manner. This could indicate a loose coupling between government policy and the actions taken by universities as a result.

Following on from the argument above, Burch (2007) in considering education policy and practice from the perspective of institutional theory, noted that loose coupling is in fact a core construct that is frequently used in institutional analyses of educational reforms (see for example, Coburn, 2004; Driscoll, 1995; Firestone, 1985). The dependence between organisations and their institutional environments produces organisational forms and policy practices that are often loosely coupled with the intentions of policy-makers. For example, new public management may impose certain structural requirements on universities such as governance structures and managerial positions, but unless the culture within the universities changes the intention behind the policy shift to make universities more responsive may not be realised. In the 1970s and early 1980s, institutional analyses of organisations tended to be built around Parsons' (1960) ideas about the inevitability of loose coupling between the technical and institutional levels of management in organisations. Parsons' view was that actions taken to align organisations with societal norms and values frequently conflicted with technical activities designed to foster the achievement of organisational goals, leading to what he saw as a 'qualitative break' across the technical and institutional levels of organisational management. Elements of this can be seen between the commercial and academic activities of The College, or between the disconnect that some writers see between the traditional values of universities and the introduction of new public management ideas (see for example, Akerlind & Kayrooz, 2003). Linking back to the concept of open systems and maintaining legitimacy Lutz (1982), when discussing loosely coupled systems, suggested that organisations that permit considerable flexibility in the behaviour of their subsystems are better able to adapt and survive. This has relevance to the structure of the organisation, for example collegiate versus managerial, and the relationship they have with their environmental actors. As briefly discussed in relation to The College it may be conceivable that the regulatory, academic framework is loosely coupled with the commercial operation of the organisation and that may help to explain how the tensions between the two were managed.

As previously mentioned in relation to the context of change, Pettigrew (1987) discusses the content and process, which develops a strong link to changing and reinforcing organisational culture. It is inevitable that as organisations respond to the changes in the environment internal changes will impact on the culture and the shared values of the participants. As organisations can be seen as social constructs in which individuals come to accept a shared definition of social reality (Scott, 1987), it is important that the internal participants are willing participants and come to accept the way things are done, i.e. a cultural change takes place. Over a period of time, as the policies and procedures, myths and ceremonies are adopted there will develop a mutual awareness among participants that they are operating within a set

of organisations engaged in a common purpose (DiMaggio & Powell, 1983). They should not only commit themselves to supporting an organisation's ceremonial facade but also commit themselves to making things work. This commitment enables the organisation to work effectively even if the institutional policies adopted create inefficiencies (Meyer & Rowan, 1977). There are elements within the changes made at The College that could be described as adopting the policies and procedures, myths and ceremonies of the higher education sector. However, the organisation still had to operate as a commercial organisation and staff had to adapt to a new way of working in ensuring that the organisation could become legitimate by adopting acceptable practices. The cultural change could be seen as the process of institutionalisation into the higher education sector and this concept could provide insight into the rationale behind the changes that were made as part of the application for degree-awarding powers. It is suggested that the process of institutionalisation works to produce a common understanding about what is appropriate and, fundamentally, meaningful behaviour (Zucker, 1987).

DiMaggio & Powell (1983) describe this as a consequence of two factors: firstly the emergence and structuration of an organisational field as a result of the activities of a diverse set of organisations; and, second, the homogenisation of these organisations, and of new entrants as well, once the field is established. By organisational field, they mean, 'those organisations that, in the aggregate, constitute a recognised area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organisations that produce similar service or products' (p.148). Organisations may try to change constantly, for example to gain an advantage over its competitors in the field. However, as has been seen with the introduction of a more managerialist approach to managing the universities, competitors are quick to adopt the new innovations, if managerialism can be described as such. As one organisation responds to the environment the response has the impact of changing the environment, which encourages others to respond in a similar fashion. 'After a certain point in the structuration of an organisational field, the aggregate effect of individual change is to lessen the extent of diversity within the field', (DiMaggio & Powell, 1983, p.149). This may go against the intention of the UK Government's change in the criteria for the granting of degree-awarding powers in the hope of recognising and increasing the diversity of providers of higher education. It could be argued that in the commercial field activities such as benchmarking can also be seen to encourage the adoption of 'best practice' amongst the participant organisations. As organisations seek to emulate the best in their field they adopt similar practices. Thus certain practices become the 'norm' within the sector and new organisations entering the sector will adopt the same practices. However, time lags and issues of practicality may mean that this is

not always the case. See also the previous discussion in chapter two of the findings of Kember (2010), Yelder and Codling (2004), Teichler (2002), and Huisman and Morpew (1998) concerning the degree of homogenisation in the higher education sector.

It was suggested by DiMaggio & Powell (1983) that the concept that best captures the process of homogenisation is in fact *isomorphism*. They refer to Hawley's (1968) description, 'isomorphism is a constraining process that forces one unit in a population to resemble other units that face the same set of environmental conditions' (DiMaggio & Powell, 1983, p.149). Hannan and Freeman (1977) significantly extended Hawley's ideas. They argued that isomorphism can result because non-optimal forms are selected out of a population of organisations, or because organisational decision-makers learn appropriate responses and adjust their behaviour accordingly. Hannan and Freeman (1977) also argued that isomorphism is the result of competitive pressures that force organisations facing the same set of environmental constraints to adopt similar characteristics relative to one another. DiMaggio and Powell (1983) however, suggest that 'isomorphism arises from structuration of an organisational field into an interconnected collectivity that pushes organisations toward homogeneity' (p.149). This illustrates the point raised earlier concerning the different views of legitimacy taken by the strategic tradition as opposed to the institutional tradition. It also raises a question as to whether the actions of The College were the result of a conscious decision to adopt the policies and procedures of other higher education institutions, or whether it was an inevitable consequence of the strategic decision taken, i.e. it raises the question as to whether isomorphism is the result of intentional actions to copy, or an unintended consequence of making the 'right' decision. Stensaker and Norgard (2001) suggest that organisations are dependent on external forces, but argue that each organisation still has certain discretion left when it comes to how they should respond to external pressures. The concepts of strategic choice or critical decisions are in this perspective important, along with a view that organisations must find their environmental niche in order to successfully compete for customers, students, or market shares, improve financial support or relations with society at large (see for example, Clark 1998; Sporn 1999). Therefore, institutional theory may not be able to fully explain the changes made at The College, but there are certainly aspects that may provide some insight into the process. The concept of isomorphism linked to legitimacy has some resonance.

Meyer & Rowan (1977) suggest that, 'isomorphism with environmental institutions has some crucial consequences for organisations: (a) they incorporate elements which are legitimated externally, rather than in terms of efficiency; (b) they employ external or ceremonial assessment criteria to define the value of structural elements; and (c) dependence on externally fixed

institutions reduces turbulence and maintains stability. As a result, it is argued here, institutional isomorphism promotes the success and survival of organisations' (p.348-349). The organisation thus becomes legitimate. To support this organisations adopt the language of the institutions, the organisational labels and goals (Blum & McHugh 1971). This suggests that isomorphism is the result of intentional actions to gain legitimacy. So are the changes made at The College the result of isomorphic pressures to seeking legitimacy? If so, were they the source of the tensions arising between decisions taken for reasons of legitimacy (related to academic structure) and the decisions taken for operational efficiency and commercial reasons (commercial objectives)?

DiMaggio and Powell (1983) identify three mechanisms through which institutional isomorphic change occurs, each with its own antecedents. These are briefly examined in relation to their potential relevance to The College.

- 1) coercive isomorphism that stems from political influence and the problem of legitimacy. In the case of higher education this will revolve around government and state policies and formal and informal pressures from other organisations such as research bodies, and the cultural expectations of society of higher education providers.
- 2) mimetic isomorphism resulting from standard responses to uncertainty. Uncertainty arises due to the difficulties of defining learning as an output, or knowledge, or the use of new technologies. Often these uncertainties create groupings of like institutions to try and define the uncertainty. For example in UK higher education this can be perpetuated by groups such as the Russell Group of universities or the 1994 Group. Universities UK and exchanges between Vice-Chancellors can result in organisations modelling themselves on other 'successful' organisational members of the organisational field to ensure a common response to proposed policy changes.
- 3) normative isomorphism, associated with professionalisation. In the case of higher education conventions such as the National Framework Agreement which includes expectations as to working conditions and methods of work, the transfer of staff between institutions and practices such as encouraging collaborative working, the existence of common career titles and criteria for their adoption create pressures to conform.

Further, DiMaggio and Powell (1983) suggest that to the extent that organisational effectiveness is enhanced, the reason will often be that organisations are rewarded for being similar to other organisations in their field(s). This similarity can make it easier for organisations to transact with other organisations, to attract career-minded staff, to be acknowledged as legitimate and reputable, and to fit into administrative categories that define

eligibility for public and private grants and contracts. None of this, however, ensures that organisations that conform do what they do more efficiently than do their more deviant peers. Organisational prestige can be a powerful element in attracting professionals which in turn puts pressure on institutions to mimic other universities (e.g. those higher in the league tables). The fact that there is a formal application process which new institutions must undertake in order to gain degree-awarding powers, followed by a scrutiny of its practices by the QAA who then make a recommendation to the Privy Council, creates a barrier to entry (Porter, 1985). Institutional theory would suggest that this, to some degree, ensures that all institutions applying to enter the field will adopt similar structures and procedures, as organisations seek to ensure that they can provide the same benefits and services as competitor universities and are accepted by the QAA as a legitimate institution.

However, Aurini (2006) in a study of private education businesses suggests that organisations that have alternative means of gaining legitimacy routinely deviate from core institutional norms and negotiate alternative models of legitimacy. In these cases legitimacy is gained via success rather than conformance to regulatory standards. Aurini (2006) argues that 'these conditions provide educational organisations with an opportunity to create their own curriculums and classification schemes, hire noncredentialed staff, and tout other benefits such as nurturing and self-esteem' (p.107). It could be argued that the private education businesses have selected from the environment the groups from whom they need to gain legitimacy. Consequently, these forms of schooling vary in the ways in which they appeal to their clients and provide businesses with alternative sources of legitimacy and, hence, appropriate isomorphic responses that come from both the institutional and technical dimensions of the environment. The success of these businesses suggests there could be an erosion of traditional institutional norms which creates an enhanced opportunity for greater heterogeneity in the sphere of education.

Thus there are differing perspectives on how isomorphic tendencies impact on new entrants, but as expected, there are several views on which perspectives could be integrated. Meyer and Rowan (1977) claim that organisations are active in 'window-dressing', i.e. develop 'double-standards' to deal with these mixed expectations. However, in a higher education setting, a counter argument would be that due to increased external evaluation activity, such as quality regimes, and various forms of external reporting, such symbolic actions are difficult to maintain in the long run. The notion that organisations deliberately try to cheat and always maintain a symbolic side also establishes a quite negative view on organisations (Stensaker & Norgard, 2001).

The fact that isomorphic pressure is multifaceted may be an important reason why organisations are able to keep some discretion when it comes to the adaptation processes (Tolbert 1985). However, the important point made by Tolbert in her study of administrative structures in higher education institutions is that pressure for adjustments favoured by different interest groups inside and outside the university for reasons of profitability had been accomplished through a process where compatibility (organisational identity) arguments had played an essential role. It was seen as important by all interest groups to find a solution that was compatible with all interests. This could be described as the interested parties seeking and finding a common ground and recognising a degree of interconnectedness to the same end. This process is not that of unconscious adaptation or pure opportunism: rather it is a process with strong strategic and long-term emphasis. This has significance in the change process highlighted by Pettigrew's (1987) framework for contextual strategic change management, i.e. it is a series of conscious decisions by management.

Dacin (1997) identified that the large body of work examining isomorphism resulting from the interconnectedness of organisations. For example studies by Hinings and Greenwood (1988), Rowan (1982), Singh et al (1986) and Tolbert and Zucker (1983) consider the aspect of interconnectedness within isomorphism. Work in which isomorphism is viewed as a function of network interrelationships includes Galaskiewicz and Wasserman (1980) and Oliver (1988). Most of this research has examined the degree of conformance to or control by the state, laws, regulation, or resource flows as a measure of the degree of institutionalisation. The university sector is regulated and also one in which organisations exhibit degrees of interconnectedness through research projects, and exchange. The problem with this focus is that resource dependence theory, discussed briefly in section eight of this chapter, provides equally plausible explanations for the observed phenomena (Zucker, 1987). However, according to Zucker, institutional forces are different from indicators of resource dependence. They are more indirect than measures directly linked to resources because of their 'social fact' quality, i.e. they are related to shared values and expectations of the norm. Meyer and Rowan (1977) argued that the effects of the institutional environment 'are very different from the effects generated by networks of social behaviour and relationships which compose and surround a given organisation' (p.341). Scott (1987) noted that there are two greatly different levels of institutional environment: the broad environment and the immediate one. Meyer (1994) suggested in relation to this that at the level of the broad institutional environment, shared understandings and norms are general, whereas at more immediate levels of organisational interconnectedness, norms may be much more specific, and issues of dependency, power and politics are more prevalent. This can also be seen as a significant

element of the change management process referred to by Pettigrew (1987), in that the way organisational actors interact with internal and external relationships will determine the culture of an organisation. This in turn will influence the way in which the new norms are adopted by participants. Therefore whilst the discussion on interconnectedness is enlightening, the way these relationships are managed will impact on the degree to which they are accepted. This comes back to the issue of whether managers make decisions for reasons of legitimacy or, as could be described in the case of The College, commercial efficiency and profitability.

Rusch and Wilbur (2007) are able to shed some light on this. In discussing the process of becoming legitimate they noted that overall, their data validated Seo and Creed's (2002) assertion that human agency is a strong factor in institutionalism. They found evidence of how individual actors use institutionalised norms to 'justify their goals and actions [and to] mobilise commitments and resources' (Seo & Creed, 2002, p.236). While the study of Rusch and Wilbur was a retrospective look at the human side of the accrediting process, attention to the dialectics exposed ways in which individuals manipulated the institutional environment to gain a desired form of legitimacy. The fact that Rusch and Wilbur (2007) were studying the accrediting process is relevant to The College, however the scope for The College to manipulate the institutional environment is significantly limited, but the concept of the senior managers using institutional norms to justify their actions and mobilise commitment and resources may help to explain the strategies adopted to manage the tensions between academic and commercial decisions.

7. The effect of agency

Delbridge and Edwards (2007) discussed the resurgence of agency within institutional theory. They note that much of the work on institutional change has been based on process models that tend to reinforce an appearance of institutional change as mechanistic and contingent (see for example Van de Ven & Hargreave, 2004). They also suggest that the previous work relied upon a punctuated equilibrium model of change (see Abernathy & Clark, 1985; Tushman & Anderson, 1988), i.e. events create a need to change disturbing the equilibrium until the change is implemented and accepted, thus restoring a new equilibrium or a new 'business-as-usual'. This they argue has meant that study of the influence of actors in the situation has been reduced.

The seeming neglect of power in earlier institutional studies is now less apparent because those scholars interested in institutional entrepreneurship have re-introduced agency into institutional accounts, thereby re-opening the debate on the role of power during institutionalisation (see Hargrave & Van de Ven, 2006; Lawrence & Suddaby, 2006; Lawrence, Monika & Devereaux Jennings, 2001). Delbridge and Edwards (2007) refer to

Greenwood and Suddaby's (2006) study of leading accountancy firms, which they suggest is illustrative of these developments because it alludes to the possibility of field-level contradictions that present local actors with opportunities to change pre-existing arrangements (see also Seo & Creed, 2002). In the case of The College, the senior management team being faced with choices to influence the outcome and could choose conformance or non-conformance equally. By allowing for the possibility of endogenous change, Greenwood and Suddaby (2006) allude to the dynamic relationship between agency and structure. This also has implications for the point raised in section six concerning intentional or consequential isomorphism, i.e. it is the manager who intentionally conforms to the norm by adopting certain practices. Emirbayer and Mische (1998) have identified what they labelled as the 'practical-evaluative' element. This entails 'the capacity of actors to make practical and normative judgements among alternative trajectories of action, in response to the emerging demands, dilemmas, and ambiguities of presently evolving situations' (p.971). Hays (1994) suggests that in recognising the potential for reflection it is important to realise that the ability 'to affect social structures varies with the accessibility, power, and durability of the structure in question' (p.62). Scott (2008) discusses the interactions of various actors and suggest that all actors possess some degree of agency, but that the degree of agency varies among types of actors as well as different social structure. The relational aspect of agency and structure is established historically such that the malleability of institutions is best understood at the moment when agents 'collide' with existing structures. In other words, in the situation of change management not all actors are capable of exerting influence on an organisation but the degree to which they are able to influence depends on how amenable the organisation is to change. This can only truly be assessed when an agent attempts to influence the organisation. The outcome of the intervention cannot be predicted and to some extent it depends on the interaction of localised events relevant to the situation, the degree of power that can be exerted by those making choices and the wider social context within which the agent assesses what might be possible.

Machado da Silva et al (2005) remind us that Selznick (1992) stated that 'agency connotes competence, intentionality, and accountability. To be an agent is to act purposively' (p.238). They also cite Colomy (1998) as reducing agency to conformity, although he considers agency to include not only the intention to do something, but also the ability to carry out their intentions, which means, they suggest, power. Giddens (1984) is quoted as defining the agent as 'one who exerts power or produces an effect' (p.9). They continue by suggesting, again quoting Giddens (1984) that 'action depends upon the capacity of the individual to make a difference to a pre-existing state of affairs or course of events' (p.14). The premise put forward by Machado da Silva et al (2005) in this respect is that the agent has impacted on an event even if

the intended outcome is not achieved. Consequently they suggest that it is the 'construction of meanings and interpretations that lends a dynamic character to institutionalisation, not only intentionality, as the agent is concentrated only on the aspects that he perceives to be essential to solve the problem he is faced with' (p.12). This would suggest that The College management team were making decisions as they saw fit to deal with the problem without consciously thinking of the wider implications of the decision. However, this is a narrow view and ignores the issue of making decisions for reasons of legitimacy. It may well be that in the case of a new entrant to an organisational field the concept of agency is less relevant than the concept of legitimacy. However, utilising Giddens (1984) definition of an agent as one who exerts power or influence, the QAA could be seen as an agent in the case situation under review, and the power of the QAA via its position of legitimate power (French & Raven, 1959) and Code of Practice (QAA, 2004) for the higher education sector, could be said to be exerting influence over the decisions made by the management team, such that they comply with the norms of the sector. This suggests that agency theory and institutional theory are relevant to the case study.

8. An alternative lens – resource dependence theory

As Yin (2003) suggests it is good practice to seek alternative explanations that are capable of aiding the understanding of the case phenomena. In this respect we can draw on the work of Oliver (1988 and 1991) who suggested that alternative explanations such as strategic choice (Child, 1972) and resource dependence perspectives (Pfeffer & Salancik, 1978) may shed insight on how and why organisations manage the interaction and response to the environment.

In challenging institutional theory by seeking alternative explanations, Oliver (1988) refers to Child (1972) who argued that organisations have the capability to exercise considerable discretion over the design and alteration of their own structures in response to environmental contingencies. Such discretion allows organisational leaders to fashion unique structures relative to others that occupy the same competitive niche because solutions to problems in the environment are presumed to be solvable by organisations in more than one way. Based on the assumption that organisations are loosely linked to their environments (Pfeffer & Salancik, 1978), this perspective implicitly suggests that neither competition nor interaction will necessarily lead to a reduction in organisational diversity. The strategic choice perspective suggests that proactive adaptability and loose coupling between organisations and environments (Aldrich, 1979) permit structural variations among similar organisations operating in the same competitive market, and therefore the organisations become less susceptible to the homogenising effects of the external forces. Indeed, the effect of competition and interconnectedness, from a

strategic perspective, may be to increase rather than decrease diversity in organisational characteristics, through market segmentation, product differentiation, or efforts to represent a unique or distinctive image to clients and customers, relative to competitors. It could be said that the strategic choices available to organisational decision-makers to design their structures within an environment that is assumed to be tolerant of organisational variability dilutes the homogenising processes of competition and institutionalisation. It is further suggested (Hamel & Prahalad, 1994) that organisations will seek innovative solutions to problems that give them a competitive edge, and adopting industry wide practices may not be the best way of achieving that. However, this argument ignores the degree of regulation within an industry sector in that it may be necessary to conform to certain institutional norms in order to operate within the industry itself. Certainly, The College was entering a market in which expectations of behaviour and operations are laid down in a Code of Practice against which it would be assessed by its future peers. Therefore, it could be argued that the degree of management discretion was limited. As Covalleski and Dirsmith (1988) suggested, the general theme behind the institutional perspective is that an organisation needs to conform to social norms of acceptable behaviour in order to survive.

In her 1991 paper, Oliver discussed institutional theory and resource dependence, identifying that in some respects there are similarities. 'According to both institutional and resource dependence perspectives, organisational choice is limited by a variety of external pressures (Meyer et al., 1983; Pfeffer & Salancik, 1978), environments are collective and interconnected (DiMaggio & Powell, 1983; Pfeffer & Salancik, 1978), and organisations must be responsive to external demands and expectations in order to survive (Meyer & Rowan, 1977; Pfeffer & Salancik, 1978)' (Oliver, 1991, p.146). Institutional theory emphasises the value of conformity whereas resource dependency assumes that managers have more choice both in responses to environmental uncertainty and in the degree of conformity or non-conformity. Oliver (1991) suggests that resource dependence theory assumes that organisations exercise some degree of control or influence over the resource environment or the organisation's exchange partners. In her 1991 paper Oliver puts forward a series of five strategies that may be adopted concerning conformity. This is based on the premise that the degree of conformity will depend on why the pressure is being exerted, who is exerting them, what the pressures are and how or by what means they are exerted and where they occur (Oliver, 1991). The five strategies are acquiescence, compromise, avoidance, defiance and manipulation. On a similar theme, Pfeffer (1982) commented that from a resource dependence perspective firms do not merely respond to external constraints and control through compliance but that a variety of strategies may be undertaken to alter the situation to make compliance less necessary. Whilst resource dependency may

provide a useful framework to analyse the strategic responses of The College the significance placed on legitimacy and the potential need for The College to acquiesce – one of Oliver's (1991) strategies - thus limiting the choices, implies that institutional theory provides a more satisfactory framework within which to interpret the findings of the study.

9. Conceptual framework

As noted in the discussion so far, the decision by the Holdings plc Board of Directors to support the management of The College in seeking degree-awarding powers was a strategic response to an emerging opportunity from the changes within the environment in which it operated. The landscape for higher education was changing which created the opportunity. This could be explained as a strategic response to changes in the environment which is the foundation of good strategic management. In the implementation of the strategic decision it inevitably had several operational implications (Johnson et al, 2005) which would entail implementing changes to the organisational structure, systems and management processes (Ramanujam & Varadarajan, 1989). However, as Pettigrew (1987) suggests, strategic change needs to be understood within the context in which it occurs and is managed. The contextual analysis of strategic change by Pettigrew (1987) provides a good framework within which the study can be considered. This is because the context in which the change took place needs to be understood in order for the change management strategies and decisions to be analysed and interpreted. This context was discussed in chapter two. The College was the first commercial for-profit organisation to seek taught degree-awarding powers within the UK under the 2004 criteria and therefore there was no precedent, and a high degree of uncertainty existed within the organisation as to the reaction of the other actors, such as the QAA, other higher education institutions, the government, potential students and employers. Organisations that follow have The College on which to base a judgement as to how decisions will be perceived by the wider HE community. As noted in the discussion on institutional theory, it is possible that a *response to* a change in the environment in itself creates a *change in* the environment, i.e. once taught degree-awarding powers have been granted to a commercial organisation in the UK, the environment has changed.

One of the changes that the management chose to make was to strengthen the academic structure of the organisation in order to be in a position to demonstrate that it could maintain its academic standards. This was founded in a perceived need to ensure that the academic and business objectives could be separated, e.g. that business decisions could not be made for profit motives that impacted adversely on the academic standards of the organisation. The key word here is the 'perceived' need. From a participant observer perspective, the management

perceived that it would need to strengthen the structure and create more mechanisms that ensured that the quality standards were maintained. Management were concerned with being seen as legitimate in the eyes of the QAA and other higher education institutions. This appears to indicate that legitimacy was a key factor driving some of the decisions. The link between seeking legitimacy and isomorphic forces creating pressure for managers to adopt practices and policies that may not be in the interest of operational efficiency, but serve to demonstrate legitimacy, also has resonance with the case study and it may help to illuminate the rationale behind some of the decisions. These factors point towards institutional theory as being relevant to the study and capable of aiding the interpretation of the data collected. The idea of a strategic response can now be moved into the background as institutional theory is capable of dealing with decisions that are both a reaction to an environmental change and an attempt to impact on the environment.

As regards resource dependence theory, whilst there are elements that can be related to the case, it does not adequately deal with the political dimension and the need to gain legitimacy within the highly regulated higher education sector. Within the possible strategies identified by Oliver (1991), the need for legitimacy indicates the potential for The College to acquiesce and comply, again pointing towards institutional theory as being better suited to the case study. It also seems possible that resource dependence theory works better when the environment is not so heavily regulated, in that there can be more than one response to an environmental change. The changing of the criteria for degree-awarding powers to include non-public organisations created the opportunity, but the criteria had to be met, the choices were to conform or not to conform, the only variation was in the degree of conformance, i.e. to adopt the trappings of a traditional university or to be innovative and try to reinterpret the criteria which had not been tried before. The environment in which the decisions and changes were made was also populated with political aspects from both external and internal actors. For example, there was a political dimension to the change in criteria for degree-awarding powers and opposition from some sectors of the higher education community, plus the internal politics associated with a diversified organisation (Mintzberg & Quinn, 1991). These factors indicate that institutional theory is possibly better able to cope with this dimension within the context of the case study.

Mention has been made of the stakeholders and in particular the QAA and the Holdings plc Board of Directors. These are major actors or agents operating in the change arena, and both are capable of exerting influence and pressure either via explicit or implicit means. The resurgence of the role of agency within institutional theory provides an opportunity to explore this area of theory within the case. The concept of agency also fits well with change management strategies as the concept of agents of change

and the role of key actors within change management can play an important part in its success or failure (Lewin, 1943). There is also the aspect of agency within the area of governance which has been ignored here, but could be seen as a factor within decisions between choices where the interests of management are put above those of others (FRC, 2010), i.e. it may be in the personal interests of management at The College to achieve degree-awarding powers for the organisation.

Taking the start point of strategic change and the theoretical underpinning of institutional theory and recognising the impact of agency, the conceptual framework within which the analysis and interpretation will be carried out can be represented as follows:

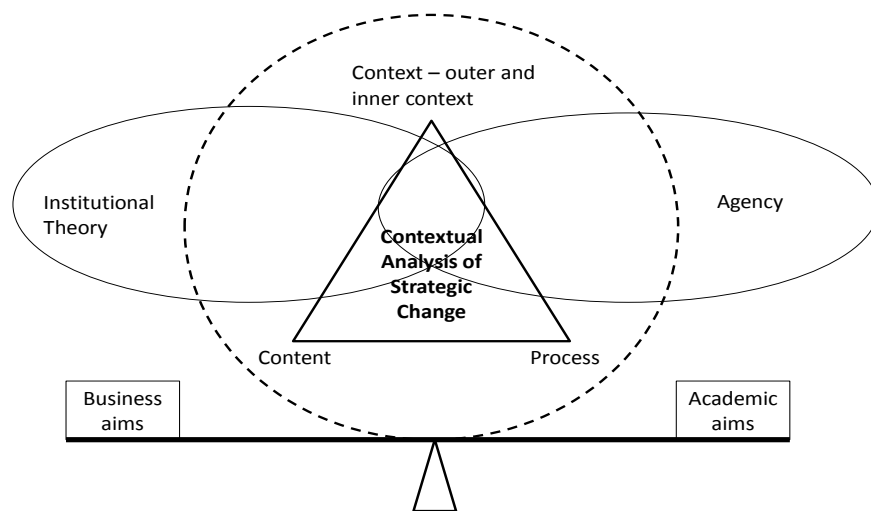


Figure 3.1 The conceptual framework

The framework for the contextual analysis of strategic change, incorporating context, content and process (Pettigrew, 1987) is placed in a circle, whilst the institutional theory and agency intersect with the total change process indicating that there are influences on the context, content and process. The change process is seated on a seesaw that balances the business aims and academic aims of the organisation. The institutional influences and pressures, or agency influence and power, can tip the balance between the business and academic aims. The change management strategies must be capable of finding and maintaining the balance between the two.

The next chapter discusses the research methodology and methods that were utilised to carry out the study. However, it first briefly revisits the conceptual framework in relation to the development of the research questions as informed by the literature review.

Chapter 4 – Research methodology

1. Development of the research question

As discussed in chapter three there is a body of published literature available that covers the introduction of a more managerial approach within universities in the UK, but there are, as yet, virtually no studies that examine the impact of strengthening the academic infrastructure within an existing commercial organisation. Further, the published literature relating to universities alludes to tensions arising between the academic aims, served by a collegiate style of management, and the 'new' business aims served by the managerial approach. It was therefore highly likely that tensions would emerge between the existing business aims of The College, ultimately meeting shareholder expectations, and the maintenance of academic standards as dictated by the QAA Code of Practice and the detailed criteria for the granting of taught degree-awarding powers.

The College provided the opportunity to study not only the tensions that would potentially, and based on the literature, were expected to arise as a result of the changes, but the strategies adopted to manage these tensions and the pressures that created them. During the literature review and the search for a conceptual framework questions arose as to whether the changes made were simply part of a strategic decision and an inevitable consequence of the need to manage the tensions created by the duality of goals of academic standards and the commercial imperative, or whether the external pressures were such that the changes made were for reasons of legitimacy rather than efficiency.

The primary research question can be stated as:

How were the emerging tensions between the maintenance of academic standards and the commercial imperative managed during the application for taught degree-awarding powers in a commercial organisation?

This then raises several subsidiary questions in order to address fully the research question:

- (i) What changes were made to the structure, policies and procedures, systems and processes during the application for taught degree-awarding powers?
- (ii) What was the rationale for these changes?
- (iii) How did tensions manifest themselves within the organisation and what was the nature of these tensions?
- (iv) What strategies did the management team adopt in order to deal with the tensions?

- (v) Were the strategies effective in managing the tensions such that both the academic and commercial objectives were met to the satisfaction of key stakeholder groups?

By addressing these questions the study will add to the body of research by evaluating the effectiveness of the strategies adopted to manage tensions arising between the academic standards and the commercial imperative. At the time of writing there are no published studies that focus on this aspect of introducing a more rigid academic structure to a commercial organisation.

Lynch and Baines (2004) suggest that with the changes in the criteria for degree-awarding powers there is likely to be an increase in the number of private sector organisations seeking degree-awarding powers in the future. Indeed there have already been a number of such organisations, albeit so far, except for The College, they are all registered charities. A concern about for-profit organisations is that the profit motive could impact on the academic quality standards that are upheld by the organisation and that if the private sector grows it could affect the reputation of the higher education sector in general (see for example Tapper & Salter, 1998; Ward, 2007; Marks, 2008). Therefore any studies into how this dilemma can be managed will serve several purposes. It will provide a case analysis to those who are concerned about private sector for-profit provision in the UK on which they can make a more informed judgement; it will provide insight to those organisations that follow The College in seeking degree-awarding powers as to ways in which the tensions can be managed; and it will add to the understanding of the theoretical frameworks that can be applied to examine the pressures and motives for organisational change and the processes of managing change. There is of course no guarantee that if the strategies adopted by the management at The College can be proved to be successful, that they will work in other higher education sector organisations, but the higher education community will have more information on which to base their own decisions.

The primary issue of identifying the changes made can be answered by reference to documentation such as the minutes of board and committee meetings held during the period of the application and scrutiny by the QAA. The pressures felt by management for the need for change and therefore the rationale behind the changes and issue of whether the changes were deemed to have a positive or negative impact are more subjective. The analysis of interviews of senior management and the personal notes and reflections of the researcher were utilised to explore the decisions taken, and provide an insight into the initial rationale and the effect that the changes have had on the operation of the organisation. The merging of documentary evidence, personal reflection and literature has been used

effectively by Ramsden (1998) in that documentary analysis was used to build an explanation taken from both the author's own research and reflection, and the existing literature on management and leadership.

The question of what criteria can be utilised to evaluate the success of the strategies is also addressed. The definition of success is that the objectives were met to the satisfaction of the stakeholders. In short if the objectives set were met then the strategy had been deemed a success. The period of review, discussed briefly in section three of this chapter (the time frame), allows for the evaluation to be undertaken during the application process and for the year following the granting of taught degree-awarding powers. The academic objectives are treated as satisfying the QAA requirements and subsequently in recruiting students to the academic programmes. The commercial objectives are treated as meeting the profit targets agreed with the Holdings plc Board of Directors. It is recognised that these are narrow objectives on which to evaluate the success of the strategies to manage the tensions, and that it totally ignores the political, social and human aspects of success, but the measures chosen are objective in that they can be measured. A higher degree of certainty could be obtained as to the success if after six years, at the end of the initial grant, the QAA renewed the taught degree-awarding powers suggesting that the quality standards had been maintained, and that the profit targets had been met for each of the six years during the period. The possibility of conducting follow up research on a longitudinal basis is being discussed with the management of The College.

2. Research methodology/design

Hitchcock and Hughes (1995) suggest that 'ontological assumptions give rise to epistemological assumptions; these, in turn, give rise to methodological considerations, and these, in turn, give rise to issues of instrumentation and data collection' (cited in Cohen et al, 2000, p.3).

The objective of the study is to evaluate the strategies adopted to manage the tensions that may arise between the academic and commercial imperative. The normative paradigm would examine responses either to the external environment or from internal stimuli (Cohen et al, 2000). Undoubtedly the decisions made and strategies adopted will be influenced by external and internal stimuli, however the case study adopts an interpretative approach in that it focuses on the action, i.e. what the management team did and how effective the action was. As Cohen et al (2000) suggest, 'it is intentional behaviour and as such, future oriented' (p.22). In understanding the nature of the decisions and actions connected with the changes made it will be necessary to construct an account of the situation and as noted by

Sarantakos (2005), 'gaining impressions based on culturally defined and historically situated interpretations and personal experiences' (p.22). Thus the ontological stance of constructionism is adopted which is consistent with the epistemological view of interpretivism, being 'concerned with the empathetic understanding of human action rather than with forces that are deemed to act on it' (Bryman & Bell, 2003, p.15). Research design 'guides the investigator in the process of collecting, analysing and interpreting observations. It is a logical model of proof that allows the researcher to draw inferences concerning causal relations among the variables under investigation' (Nachmias & Nachmias, 1992, pp.77-78, cited in Yin, 2003).

The intention is not to produce new theory from the research. The approach adopted is one of deductive theory, in which the hypotheses or expectations deduced from it comes first, which drives the gathering and analysis of data (Bryman & Bell, 2003), and may result in a revision or better understanding of theory. This approach will inform the appropriate selection of data to aid the understanding of the changes, the motives for those changes and the tensions that emerged from the implementation. This again leads the study into an interpretivist view of knowledge. It is the interpretation of the context in which the events and pressures placed on management surrounding the decisions to make changes that are of interest in understanding how they were managed. This is supported within the use of the case study approach, such as the instrumental case study identified by Stake (1995) where the researcher seeks to examine a particular case in order to gain insight into an issue or theory. The case study can also be viewed as an empirical enquiry that investigates a contemporary phenomenon within its real life context, especially when the boundaries between phenomenon and context are not clearly evident (Yin, 2003, p.13). It is difficult to view the real world within an organisation objectively as, given the political and cultural dimension present in an organisational setting, the real world is at best a construction resulting from the events as observed and ultimately reported. Bryman and Bell (2003) refer to a study that elucidates the unique features of the case as an idiographic approach. This places the case study within the subjectivist approach to social science which is consistent with the ontological view of constructivism, and the epistemology of interpretivism. Cohen et al (2000) also discuss the interpretative paradigm as being based on observed phenomena where the meaning and interpretation are paramount. As suggested by Nisbet and Watt (1984) the study, analysis, interpretation and subsequent reporting of a specific case will provide insights, into other, similar situations and cases, thereby assisting their interpretation and understanding. This aim is consistent with other single case

studies into the post-1992 universities introduction of a more managerial or market-based approach discussed in chapter three, where qualitative data was predominant and an interpretivist stance adopted.

3. Time frame

The researcher was in the employment of The College during the period June 2004 – July 2008. It was during this period that the participant observation took place with the full consent of senior management. As noted in chapter one, the planned strategy of applying for taught degree-awarding powers emanated from the Law School in the early part of 2004. In fact the idea had been germinating since the early 2000s. These early discussions, investigation of options and preparatory work undoubtedly impacted on the subsequent events, in that it established future goals in the mindset of the senior management. It is inevitable that this would have impacted on the strategy, the way in which it was implemented, and hence the change process adopted. Kanter (1983) highlighted the problems that can be created from a lack of awareness of any prehistory of change and Pettigrew (1987) also draws attention to the importance of the antecedent events leading to change. However, one has to decide on a start point for reporting, and June 2004 has been chosen. It was at this time that the decision to establish a Business School as part of the degree-awarding powers application was taken, and work on the final application submission began. Some of the antecedent events will be referred to in the analysis where they are deemed to provide insight into the changes made, with the acceptance that there is inevitably a selection process in which events are reported (Kanter, 1983).

It would be possible to restrict the analysis of the case situation to the time period relating to participant observation – June 2004 to June 2008. However the researcher is aware that the impact of the changes extended beyond the period of employment. In July 2009 Holdings plc was the subject of a successful takeover bid by an American education organisation. At this point change occurred based on a different rationale. Therefore the period of change considered by this study has been designated as ending in July 2009. The time frame is therefore June 2004 – July 2009.

4. Case study approach

The College, at the time of writing, is the only commercial for-profit UK based private sector organisation to successfully gain degree-awarding powers under the changed criteria of 2004. However, other private sector institutions that operate as charities have been successful. The

uniqueness lends itself to adopting a single case study approach. Yin (2003) lists the degree to which a case is unique as being one of the possible rationales for a single case study (p.40). Also amongst the rationales discussed by Yin is the longitudinal nature of the study. Cohen et al (2000) state that 'Case studies can establish cause and effect, indeed one of their strengths is that they observe effects in real contexts, recognising that context is a powerful determinant of both causes and effects. Further contexts are unique and dynamic, hence case studies investigate and report the complex dynamic and unfolding interactions of events, human relationships and other factors in a unique instance' (p.181). The essence of a case study, the central tendency among all types of case study, as suggested by Schramm (1971, cited in Yin, 2003), is that it tries to illuminate a decision or set of decisions: why they were taken, how they were implemented, and with what result.

Multiple case designs may be preferred over single case designs as they present more opportunity to generalise (Yin, 2003, p.53). Also if the context of the cases is slightly different and the same conclusions can be drawn, this increases the external generalisability of the findings. Consideration has been given to extending the research to encompass another institution, thus providing a second instance for comparison. Several aspects of the case presented options. For example: the changing structure; the private sector commercial status of the organisation; or the change in criteria for the granting of degree-awarding powers within the UK. Post-1992 universities in the UK are becoming more business-like in nature (see for example, Turnbull & Edwards, 2005; Patterson, 1996) which presented the possibility of conducting an enquiry into how the changes adopted by The College compared to those made by a post-1992 university in the UK in seeking to introduce a more managerialist approach. Exploring the similarities and differences in approach may yield some additional insight that would add to the body of research into the potential strategies to be adopted and their impact. However as most new universities are well down the road of becoming more corporate in their management approach (see earlier discussion in chapter two) it is felt that a direct comparison would not be possible and the degree of reflection required in data collection by interview would mean that the experiences were not reported in a similar way, detracting from the value of any conclusions. A multiple case study in this respect would not provide any additional insight that could not be gained from comparing existing published studies with the experience of The College.

As a participant observer between June 2004 and June 2008 with the permission of The College to undertake a study

and subsequently publish the results, the researcher had unique access to the processes and decisions that were taken by key individuals within the context of The College's application, and subsequent grant of degree-awarding powers. This allowed the researcher to observe the decisions and their effects in a real context and, by being part of the decision-making body, to gain insight from reflection, not just about the cause and effect, but as Cohen et al (2000) suggest, recognising that the context is a powerful determinate of both the cause and effect and thus the participant observer is in a unique position to more fully understand the context. It was possible to gather data over a significant period, including a period prior to, and after the changes under investigation being made, thus adding to the study by providing an unbroken chronology of events for analysis, enabling the researcher to report a blend of description and analysis (Hitchcock & Hughes, 1995). The variety of evidence that could be collected - documents, artefacts, interviews, and observations - were greater than would be possible in any comparator case selected. This would have reduced the validity of insights drawn from any comparative data as the same degree of triangulation would not be possible for all cases, but in contrast it adds to the richness of data gathered for the single case scenario. This helps to negate the criticism of lack of rigour in the case study approach, in that, a richness of data is available from a variety of sources allowing triangulation of data to improve the validity and enhance the academic rigour of the study (Yin, 2003, p.99).

A valid criticism on the researcher's use of the case study, coupled with participant observation, is the danger of biased views influencing the direction of findings and conclusions. Moreover Yin (2003) points out that, 'in the case of participant observation, informal manipulation can occur' (p.8). This is relevant to the case study in question, and in particular with reference to the senior position held by the researcher during the period of employment, in that there is a vested interest in the outcome of the research such as presenting the interpretation of events in a positive light. This can be mitigated partly by the fact that the researcher no longer works for the organisation and is therefore able to take a more dispassionate view of the data during analysis and in reporting the findings. Indeed, the researcher's motive is now vested in demonstrating an ability to produce an academically robust piece of work with the primary audience being the assessors of a DBA thesis. However, it is intended that the research will also be of use to other academics and managers interested in an analysis of an instance of change management, and indeed to the current management of The College as a reflection on the process undertaken. It will also be of value to other organisations going through the degree-awarding powers application process. There is therefore a

strong motive to mitigate, indeed to eliminate, any potential degree of bias written into the findings of the report.

Bryman and Bell (2003) with reference to generalisability comment that, 'case study researchers tend to argue that they aim to generate an intensive examination of a single case, in relation to which they then engage in a theoretical analysis' (p.56). They continue by drawing on the work of Mitchell (1983) and Yin (1984) that, 'the crucial question is not whether the findings can be generalised to a wider universe, but how well the researcher generates theory out of the findings' (p.56). The mode of generalisation referred to here is analytic generalisation in which a previously developed theory is used as a template with which to compare the empirical results of the case study (Yin, 2003, p.28). This has led to the generation of a conceptual framework within which the analysis is conducted.

5. The link between the conceptual framework and the research questions

The study is primarily one of strategic change management. Utilising the framework developed by Pettigrew (1987) for understanding strategic change, introduced in chapter one, will enable the research analysis to remain focused on the process of change management. However, as Yin (2003) suggests, alternative explanations should be explored and considered. As alluded to in chapter one, Holdings plc, realising that the market for professional education was becoming a more difficult environment in which to grow the business, saw the attainment of degree-awarding powers as a logical extension to the portfolio of educational markets in which it operated. As a backdrop to the research it is recognised that strategic response theorists (see for example Hamel et al, 1989) would see this as a management decision to pursue a strategy of related diversification by taking advantage of a change in the organisation's environment. A change in strategy and operating activity would undoubtedly entail changes to the organisational structure, systems and management processes (Ramanujam & Varadarajan, 1989). Strategists would argue that the organisation was merely engaging in the practice of sound strategic management. Whilst a theoretical perspective can be taken from strategic response theorists to explain the organisation's approach to moving into the higher education market for academic awards, institutional theory, in which Ramanujam and Varadarajan (1989) construct their arguments for organisational change, assists in shedding further light on the decisions that were made concerning the implementation of the strategy. As noted in chapter three, one of the major concerns of the management team, and by virtue of the requirement to satisfy the criteria set down by

the QAA for an organisation holding degree-awarding powers (QAA, 2004), was that the organisation should be seen as a legitimate higher education institution. This seeking of legitimacy is compatible with institutional theory (Zucker, 1987). As identified in chapter three, Meyer and Rowan (1977) suggest that organisations will adopt the values, practices and procedures of established players in order to increase their legitimacy and survival prospects, whether or not it is the most efficient means of operating. Therefore institutional theory provides a promising theoretical framework within which to undertake the analysis. The concepts incorporated within institutional theory, such as seeking legitimacy, isomorphism and agency, will enable the rationale for the changes to be interpreted within a theoretical framework. For example, were the changes made for purposes of legitimacy and did this create a tension between the objectives? Were there particular pressures brought to bear explicitly or implicitly that could be explained by agency? Institutional theory helps to inform the subsidiary question of what was the rationale behind the changes made. The concept of agency helps to illuminate the pressures and influences acting on The College management team during the period of the study. This aids the interpretation of the rationale behind the decisions made and the strategies utilised to manage the tensions.

6. Data collection

In terms of data collection, multiple, complementary sources are available and, as suggested by Yin (2003), a good case study will want to use as many sources as possible. The data collected consists of three main types: documentation, personal notes and reflections of the researcher, and interview and conversations with key decision-makers in the organisation. These three types constitute four sources of data: internal documentation, external documentation, personal observation, and interview data. However, it is recognised that the documentation might not take account of any political aspects associated with the decision-making process. Yin (2003) points out that 'not all documentation can be considered as providing a complete record of events, as cognisance must be taken of the fact that all documents have an 'audience' in mind when they are prepared' (p.87). This is particularly relevant to the case being studied as it was always recognised that many documents would be available for scrutiny by the QAA. It is for this reason that key informant interviews also form part of the data collection process. One of the problems that is anticipated and therefore necessary to overcome in gathering additional data from interviews undertaken after the award of the degree powers is that events are in the past and the researcher is therefore reliant on the recollection and reflections of interviewees.

Anderson and Arsenault (1998) also highlighted the problem that people may be prone to provide socially acceptable responses which are not valid and, of particular relevance to the situation under review, interviewees may be defensive about their actions.

This problem of using multiple sources of data is highlighted by Cohen et al (2000), 'In seeking data from the personal experiences and observations of others, from documents and records, researchers often have to contend with inadequate information so that their reconstructions tends to be sketches rather than portraits' (p.158). Whilst the project should not be described as purely historical research, the potential difficulties of relying on recollections of past events are relevant. Hockett (1995) says, 'Historical method is, strictly speaking, a process *supplementary* to observations, a process by which the historian attempts to test the truthfulness of the reports of observations made by others' (quoted in Cohen et al, 2000, p.161). The triangulation possible via the documentation and individual recollections will assist in mitigating this problem. A reliance on historical documentary evidence was successfully utilised in a study of university identity struggle between 1969 and 1999 by Stensaker and Norgard (2001) in which the authors applied the concepts of innovation and isomorphism. Although Stensaker and Norgard undertook interviews with staff and students, the emphasis was on institutional documents and two previous studies concerning the university in question.

A primary method of data collection was the notes and reflections of the researcher as participant observer with the consent of management. A problem with the nature of participant observation is explained by Bryman and Bell (2000), 'It is quite common, for example, for researchers working within a qualitative research strategy, and in particular when they use participant observation, or very intensive interviewing, to develop a close affinity with the people that they study to the extent that they find it difficult to disentangle their stance as social scientist from their subjects' perspective and to be self-reflective and so exhibit reflexivity about the part played by such factors' (p.27).

Kemmis and McTaggart (1992) argue that to do '.... research is to plan, act, observe and reflect more carefully, more systematically, and more rigorously than one usually does in everyday life' (p.10). By constantly taking care to ensure that the record of events is accurate by cross checking against other sources, such as documentary evidence and the recollections of others, whilst taking time for systematic reflection, the reporting of the account and subsequent analysis will contain a higher degree of objective comment.

Interviews with the key senior personnel within the organisation have been utilised as a means of data collection. These interviews have been used as a means of capturing the respondents' reflections on the changes following the granting of degree-awarding powers. The use of interviews of senior managers rather than a broader base of personnel was informed by Anderson and Arsenault (1998) who describe key informant interviews as being appropriate for situations 'where the researcher wishes to probe the views of a small number of elite individuals who have a particular knowledge or experience about the subject being discussed' (p.191). It is more the 'why' and 'how' rather than the 'impact' of changes that is the focus of the research. The interview method of collection was selected as appropriate as Cohen et al (2000) explain it can be used to collect qualitative data where there is a need to understand why respondents say what they say, and in their own terms. Interviews were conducted at three separate points in the process. Ten interviews were conducted: five with middle manager/academics and five with senior manager/academics between May and June 2007 as part of a DBA assignment on change management within The College which was relevant to the thesis (Round 1). This gathered data from partway through the study and provides a useful check point of the state of play at that point. It was also the point at which the QAA scrutiny ended and The College was waiting for the verdict. Therefore the key changes had been made. A further five interviews were conducted in June 2008 with members of the senior management team just before the researcher left the employment of The College (Round 2). These enabled the reflections of senior managers to be captured after the degree-awarding powers had been granted. Finally a further two interviews with the Principal, who is also the Chairman of The College Board of Directors and the Chief Executive Officer were conducted in August 2010 in which their reflections of the application process, the impact of changes made during the process and changes made up to the point of the acquisition in July 2009 (Round 3). An unstructured approach to the interview was utilised in all cases. Kerlinger (1970) notes that 'although the research purposes govern the questions asked, their content, sequence and wording are entirely in the hands of the interviewer' (cited in Cohen et al, 2000, p.273). An unstructured interview is more open, providing freedom to explore different avenues of thought as they arise during the interview. However, this does not mean that the interview is not planned. Using the unstructured approach provided some flexibility to explore issues that have become relevant to one individual or one area of the organisation. The data collected will subsequently aid the triangulation of the researchers' own recording of events and reflections.

The following table shows the schedule of interviews and the roles and position of those interviewed (see also Appendix A). Interviewees were selected for their involvement in the application for taught degree awarding powers and change processes.

Table 4.1 Interview schedule

	Round 1 May – June 2007	Round 2 June 2008	Round 3 August 2010
The College Board of Directors			
Chair of The College Board of Directors and Principal of The College		12 th June 2008	10 th August 2010
Chief Executive and Dean of Law School		13 th June 2008	19 th August 2010
Programme Leader and Director of LPC and Deputy Chair		19 th June 2008	
Programme Leader and director of BVC and Deputy Chief Executive		21 st June 2008	
Senior Managers			
Director of Information Services	17 th May 2007		
Head of Registry and Student services	17 th May 2007		
Director of Quality Assurance and Enhancement	6 th June 2007	7 th June 2008	
Head of Business Programmes	5 th June 2007		
Middle Managers			
Deputy programme leader LPC	25 th May 2007		
Deputy programme leader BVC – Head of Centre - London	22 nd May 2007		
Deputy programme leader GDL	8 th June 2007		
Senior Academic and Head of Centre Manchester	11 th May 2007		
Senior Academic and Head of Centre Leeds	15 th June 007		
Marketing Manager	30 th May 2007		

7. Data analysis

The interview data, personal reflections and documents such as minutes of meetings, have been analysed based on an approach

of analysing the data in terms of meaning units adapted by Creswell (2007, pp.159-160) from the work of Moustakas (1994). However in order to do this some form of coding was required to analyse the qualitative data in order to identify meaning units. The approach adopted was to read the data from several perspectives in order to identify the potential codes that could be applied. This circular process (Rubin & Rubin, 2005), enabling the researcher to become immersed in the data and produce a series of potential codes that were a mix of inductive and deductive codes. Inductive codes suggested topics such as: 'cultural change'; 'them and us'; 'public versus private'; 'time taken to decide'; 'restricted'; 'increased bureaucracy'. Many of these appeared to be quite negative in meaning and from the change literature might be categorised as symptoms of change management, e.g. resistance to changing the status quo or not understanding the reasons for change (Thornhill et al, 2000). Deductive codes identified as being relevant from the literature and the conceptual framework developed in chapter three included: 'effect on efficiency'; 'seeking legitimacy'; 'use of power'; isomorphic forces'. As the data was read and re-read it became evident that there was a problem of identifying too many codes that made it difficult to retain the context of the overall case. In attempting to group the key topics emerging from the data coding, utilising the concept of meaning units, it is possible to find more than one potential classification. Several aspects can be identified that were clearly *planned*, such as the changes to the academic infrastructure, and aspects that were *unplanned*, such as the cultural shift that took place as a result of the change in academic infrastructure. It is also possible to identify aspects that were *tangible*, such as the creation of the Academic Council, but also aspects that were *intangible*, such as the degree of power and influence that the Academic Council was able to exert. The key aspects of the case could also be discussed by reference to the *theoretical concept* that best suited the issue, such as the change in academic structure and establishing the Academic Council for reasons of legitimacy, or the adoption of certain policies and procedures as defined in the QAA Code of Practice as representative of coercive isomorphism, the change of working practices and nomenclature as representative of normative isomorphism, or adopting a standard response to sector changes, such as the introduction of a new virtual learning environment as representative of mimetic isomorphism, or the influence of the QAA and the Holdings plc Board of Directors, as examples of agency. What emerged from the attempt to group the meaning units into larger units of information or themes was more closely related to thematic analysis (Bryman, 2008) in which 'themes and subthemes are identified from a thorough reading and re-reading of the data' (Ritchie et al. 2003, p.219, cited in Bryman, 2008, p.554). Using this approach the core theme was taken as the change itself and the chronology of changes, supplemented by key events, such as the takeover bid, or key decisions such as establishing the Academic Council, utilised as the framework for the analysis. Subthemes could then be analysed within each key

theme identified. This then enabled the key events and decisions that helped shape the development of The College to be isolated and to identify the emergence of tensions from these events and decisions and the strategies that were adopted to manage them.

The unstructured, though planned approach, adopted for the interviews which was intended to allow the interviewees a degree of freedom to digress into areas that they personally felt were important, also created a problem in that isolated incidents were discussed that did not occur in other interviews, but were relevant to the individual in the context of their particular role in the organisation, for example the individual who benefited from the non-recruitment of an Academic Registrar by becoming the internally promoted Head of Registry. This has shades of a criticism that the narrative flow of what people say and the overall focus of the research can be lost through fragmentation created by detailed coding (Coffey & Atkinson, 1996).

Another issue that impacted on the research study was that the research question had developed during the period of the study. The first round of ten interviews was conducted in May and June of 2007 with the purpose of looking at the case from a change management perspective, i.e. what change management strategies were adopted during the period of the study. It was during these interviews that it was recognised that the issue of emerging tensions between the academic and commercial aims was a topic worthy of consideration. This was the main subject of the second set of five interviews undertaken in June 2008 with an emphasis on their reflection of the changes, the tensions that emerged and how they had been managed. The final two interviews with the Principal and the CEO in August 2010 focused on their reflections on the changes and the tensions that had emerged and their impact on the organisation after the grant of degree-awarding powers. The intention was to be able to draw from the data how the tensions had emerged and why, the strategies that had been adopted to manage them and to understand whether and why they had been effective or not. Having tightened the research question to focus on the tensions it was intended that the focus of data analysis would be the second round of formal interviews, the two key informant interviews, and the personal reflective notes taken by the researcher.

Yin (2003) suggests three general strategies for analysing case study evidence: 'relying on theoretical propositions; thinking about rival explanations; developing a case description' (p.111). These are not necessarily mutually exclusive and within the scope of this thesis it is possible to undertake analysis utilising more than one theoretical precept. For example the careful construction of a case description, bearing in mind the danger of selective reporting (Nisbet and Watt, 1984), in order to build an explanation of the decisions and the rationale would yield some insight into the process.

Further insight could be gained by constructing the explanation with application to the theoretical and conceptual framework discussed in chapter three and section five of this chapter. This is particularly relevant in relation to the consideration of strategic response versus isomorphic change processes. In a limited way this also considers thinking about rival explanations. Indeed Yin (2003) argues that high quality analysis should address all major rival interpretations. This approach reinforces the constructivist and interpretative paradigm adopted within the research study.

8. Reliability, validity, and generalisability

The British Educational Research Association (BERA) report of Good practice in Educational Research Writing (2000) states that, 'Researchers must, within the context and boundaries of their chosen methods, theories and philosophies of research, communicate the extent to which their data collection and analysis techniques, and the inferences to be drawn from their findings, are reliable, valid and generalisable' (p.11). The issue of generalisability has already been addressed under the discussion of the case study approach. Reliability can be achieved by demonstrating that the operations of a study – such as the data collection procedures – can be repeated, with the same results. This would not be possible for observations and personal reflections but the documentary evidence could be reviewed in terms of its completeness. Also the 'chain of evidence that can be established increases the reliability of the information in a case study' (Yin, 2003, p.105). The degree to which 'the findings are likely to apply at other times can assist with the question of reliability' (Bryman and Bell, 2000, p.35). By utilising the theoretical framework discussed in chapter three, the credibility of the results can also be validated from existing literature. This helps to establish the relevance of the study to add to the existing body of literature on change within higher education organisations.

In terms of validity Yin (2003) suggests that, 'to meet the test of construct validity, an investigator must be sure to cover two steps. [Firstly to] select the specific types of changes that are to be studied (and relate them to the original objectives of the study) and, [second, to] demonstrate that the selected measures of these changes do indeed reflect the specific types of change that have been selected' (p.35).

Here again the theoretical framework will help to ascertain and support the degree of validity which can be placed on the research. The data triangulation will also help to address issues of construct validity because the multiple sources of evidence essentially provide multiple measures of the same phenomenon. The degree to which the findings are

believable will also assist with the validity of the research. It may be possible to establish a degree of external validity if the findings can be generalised to some degree by locating the findings within the existing literature, in that they confirm conclusions from other studies of change management within the concept of strategic response and isomorphic change. In this respect the methods utilised are transferable to other contexts other than educational institutions, i.e. other market-led, business focused organisations.

9. Ethical considerations

There is the ethical issue raised in relation to the data collected via participant observation. Somekh (1995) says in respect of participant observation when collecting data about one's own job: '.... it is impossible to draw the line between data which have been collected as part of the research and data which have been collected as part of the job. Likewise, it is impossible to carry out analysis and interpretation of data without doing so in the light of prior knowledge' (p.342).

When reflecting on the data collected, the processes and the decisions taken, it will be necessary to take heed of the issue raised by Somekh. Undoubtedly the researcher's own experience will be impacted on by the knowledge that they were part of the decision making process and that in endeavouring to take an objective view care must be taken to ensure that any conclusions are based on professional judgement, rather than an attempt to justify actions. BERA (2004) suggest that 'where possible it is good practice to make clear the intentions of the writer in relation to these reasons' (p.2). The BERA report further suggests that 'the research ethic of respect of truth, or academic integrity, requires researchers to be scrupulous in avoiding distortion of evidence and weakly supported assertions in the reporting of findings' (p.4). It is therefore important that the researcher is as open as possible with the organisation and allows the management to review the analysis and to ensure that management's opinion and voice is present within the thesis. In respect of reporting from notes of meetings it is important to ensure that the principle of striving to present a true record of events is the major driver of choosing what aspects to report. Similarly when reporting comments from interviews and the actions pertaining to those persons making decisions, BERA (2004) suggest that respect for the individual person in terms of dignity and privacy are considered in the reporting of data at all times. Permission has been granted by individuals regarding the reporting of data collected and where possible participants were allowed to check that the record of their comments is accurate. The management team were provided with a copy of an early draft to check for matters of fact. Where there is a difference of interpretation participants views

were welcomed and taken into consideration but the interpretation remains those of the researcher as supported by existing literature.

The organisation is slightly vulnerable to any reported findings, in that the degree-awarding powers are granted on a renewable basis, and therefore any negative reviews or comments in the public domain could impact on the organisation, or the members of the organisation may be wary of the study and keen that it should be seen in a positive light. BERA (2004) 'considers it good practice for researchers to debrief participants at the conclusion of the research and to provide them with copies of any reports or other publications arising from their participation' (p.10). As mentioned above copies of the thesis will be made available to the key members of The College. An early draft of the analysis was reviewed by The Principal and no comments were received that required attention. The Principal stated that he would be more than happy for the results to be made public as after The College achieved degree-awarding powers they had tried to be more open and transparent in their operations. During the period of the application and QAA scrutiny the Academic Council counselled that The College management should retain a low profile and not court publicity. However, this in some regards created problems in that anecdotal evidence and reports of views in the press, notably in The Times Higher Education paper, of misunderstandings of the nature of private sector provision, or at least the operation of The College. Therefore a document that demonstrates the changes made and the structure and operations of The College during the scrutiny period, and when degree-awarding powers were granted, is seen by The College management as a good thing. It is also seen as a semi-independent review of the organisation which increases the externality aspect of the review process to which higher education institutions are subjected.

The next chapter provides a narrative description of the journey undertaken by The College between June 2004 and July 2009 within which the analyses and interpretation of findings are presented.

Chapter 5 – Analysis and findings

1. Introduction

This chapter begins by providing an outline of the case study organisation and the background to the decision to apply for taught degree-awarding powers. The key changes that occurred during the period of study are presented. The research questions are then restated together with the key themes within which the analysis and findings are interpreted.

2. The organisation

The organisation began by provided tuition courses for the purpose of preparing students for the examinations of the professional accounting bodies. The company was successful and increased the range of professional qualifications for which it offered tuition to include other business-related disciplines. The company had a federalist structure with each professional discipline being delivered via a separate subsidiary. The structure in early 2004 is illustrated in figure 5.1 below.

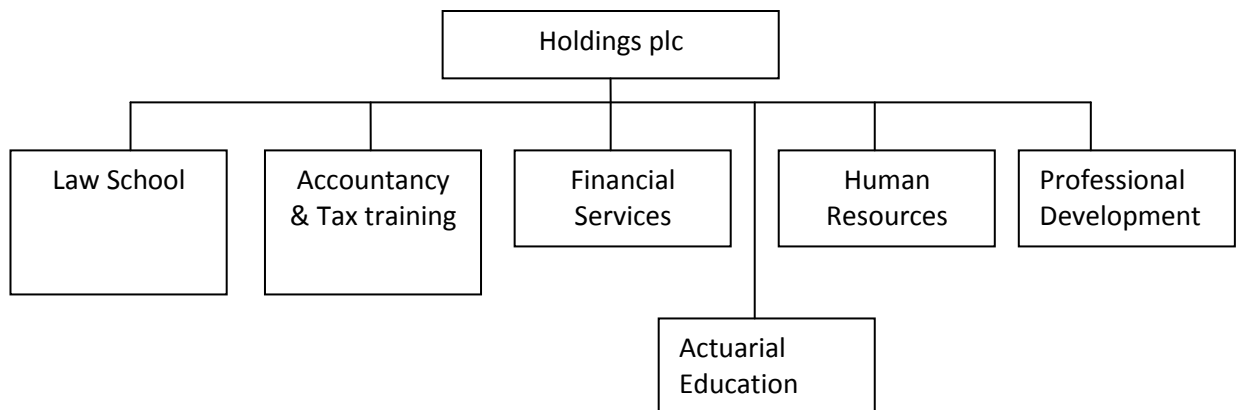


Figure 5.1 Holdings plc group structure February 2004

The Law School had been added in the early 1990s and offered professional legal courses under a franchise agreement with a post-1992 university. In 1997 the franchise agreement came to an end and the Law School was validated in its own right by both The Law Society and The Bar Council to offer the Common Professional Exam (later to become known as the Graduate Diploma in Law), the Legal Practice Course and the Bar Vocational Course. Each programme continued to grow in student numbers and the number of client firms with which it enjoyed preferred supplier or exclusive provision status. The Law School developed a structure that supported the three programmes as separate teams, each with its own resources.

3. Degree-awarding powers application

In 2002 the major client law firms enquired of the Law School whether it would be possible to extend the courses offered to include a Masters in Law (LLM). The law firms felt that if they were able to provide the opportunity for their trainees to obtain a Masters qualification it would aid their staff recruitment, development and retention, as well as enhance the professional reputation of the firm. The management of the Law School recognised that this development created the opportunity to compete more effectively with the public sector university Law Schools and an application for taught degree-awarding powers was made to the Privy Council. This was refused on the grounds that it was a private sector organisation, and the School was advised to develop a track record of degree provision with a partner university. The College management team decided not to partner with another university, and when the criteria changed in 2004 enabling degree-awarding powers to be granted to non-public organisations the School was encouraged by the Holdings plc Board of Directors to apply again. As part of this decision Holdings plc wished to leverage the expertise in business-related disciplines within the group and decided to establish a Business School alongside the Law School. The subsidiary name was changed from [company name] Law School Limited to [company name] Professional Education Limited. This newly named company was to house the Law School and the Business School. It was this division that would apply for degree-awarding powers.

In June 2004 a project team was established by recruiting a small number of academic staff whose remit was to develop and lead the degree-awarding powers project and to establish the Business School. The researcher was a member of this team having worked for the organisation within the accountancy division in various roles for ten years and subsequently became the first Dean of the Business School in April 2005.

Following the publication by the QAA of the revised criteria for degree-awarding powers and university title (QAA, 2004) in November 2004 the company submitted an application along the lines of the first application for taught degree-awarding powers to the Privy Council. Shortly after this Holdings plc was restructured so that the division in which degree-awarding powers would be vested, and that would develop and deliver the academic programmes, was clearly identified within the group. The group structure was revised to that shown in figure 5.2 below.

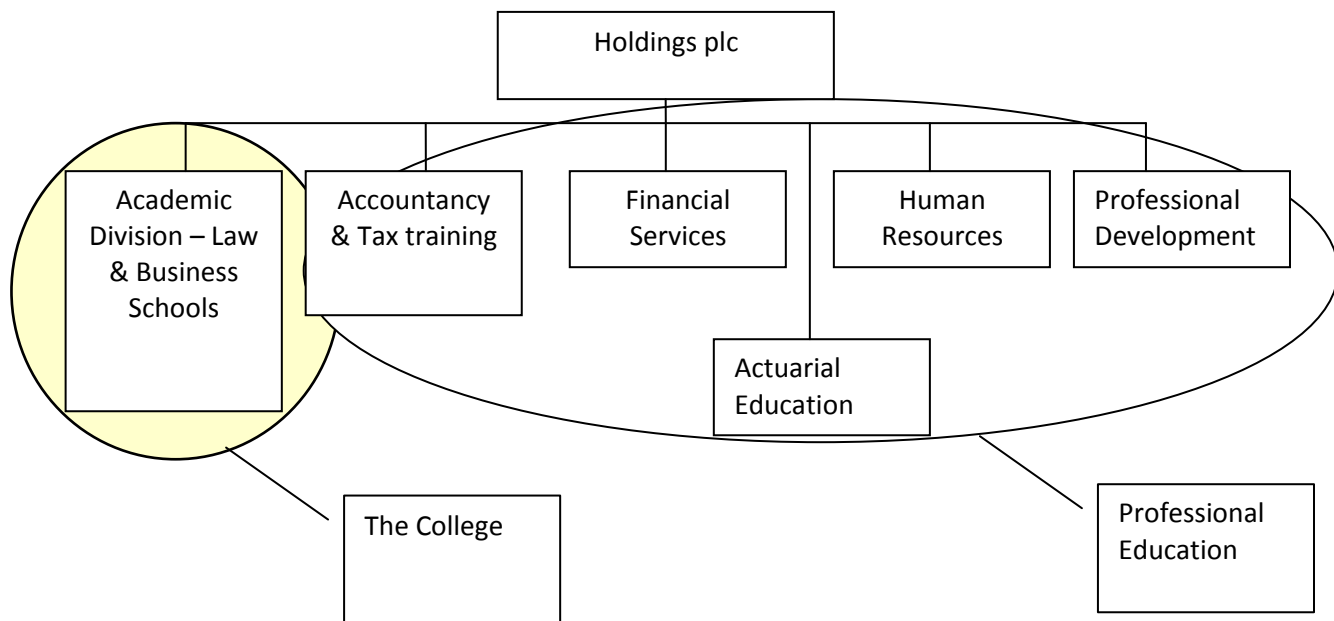


Figure 5.2 – New group structure to distinguish between professional education and academic awards

In December 2004 the Privy Council accepted that there was a case to be made for the organisation to be considered for the granting of degree-awarding powers and referred the application to the QAA for initial scrutiny.

The following table provides a summary of the key changes and events that occurred during the period of the study.

Table 5.1 – Key changes and events during the study

Date	Change / Event
Nov 2004	Application document submitted to Privy Council
Jan 2005	Working committee established to review/benchmark academic regulations and seek approval through academic committees. Series of meetings held with staff to communicate process and implications of taught degree-awarding powers (tDAP) application.
April 2005	QAA undertake initial scoping visit. The College appoints a Director of Quality Assurance & Enhancement
May 2005	Advisory Committee on Degree Awarding Powers (ACDAP) approves full scrutiny.
June 2005	The validation of academic programmes was commenced. QAA observed their first academic meeting of the scrutiny process.
July 2005	First meeting of the Academic Council – observed by QAA.
Sept 2005	A revised committee structure is reviewed by the Board of Directors.
Oct 2005	Consideration given to extending student representation to all academic committees.
Nov 2005	Report to the Academic Council on a revised committee structure together with updated academic regulations.
Dec 2005	The Board of Holdings plc decides to centralise service functions. The College Board objected and was supported by the Academic Council.
Jan 2006	The first meeting of the new institution wide Education and Training Committee.
Feb 2006	First meeting of the new institution wide Learning & Teaching Committee.
March 2006	Internal appointment made for Head of Registry following unsuccessful attempts to find an Academic Registrar. Key meeting held between The College Board and Holdings plc Board to discuss differences over centralisation policy. Agreement to suggestion by QAA to suspend scrutiny for six months while recent changes embedded and centralisation issue resolved.
April 2006	Extensive discussion between the Board of The College, the Board of Holdings plc and the Academic Council.
Aug 2006	Company name of The College changed.
Sept 2006	Memorandum of Understanding signed between The College Board and Holdings plc Board granting autonomy of operation and decentralisation of support functions. QAA scrutiny resumed. Staff teaching grades and promotions board established.
Oct 2006	Academic Council rejects proposal for GDL ‘top-up’ programme. Review of registry function and job titles.
Nov 2006	Student representatives appointed to Academic Council.
Feb 2007	Staff development committee formed and staff grades approved.
March 2007	Unsolicited takeover bid received by Holdings plc – defence planned.
April 2007	Takeover bid failed.
June 2007	QAA scrutiny ended – team began to write report.
Sept 2007	The College informed that degree-awarding powers were granted.
Oct 2007	Academic Council refuses to approve first prospectus on grounds it is too ambitious.
March 2008	Academic development plan approved.
July 2009	Holdings plc including The College acquired by American company.

It is possible to identify from the table that the changes made during this period focused on the strengthening of the academic infrastructure, whilst two major distractions occurred. The first distraction was the disagreement between The College Board, supported by the Academic Council, and the Holdings plc Board which prompted the QAA scrutiny team to recommend a period of suspension. The rationale for this was that it would enable the new organisation to reflect on the operation of the amended academic infrastructure and for the centralisation issue to be resolved. The second distraction was the failed takeover bid received during the second period of QAA scrutiny.

Many of the changes listed in the table were connected with The College seeking legitimacy in a form that the QAA would recognise. These include: the review and benchmarking of the academic regulations; the revised academic committee structure including the establishment of the Academic Council; the broadening of student representation on the academic committees; the appointment of staff to senior positions such as Director of Quality Assurance and Enhancement and Head of Registry; the review of functions and job titles; and the formalisation of policies such as staff development and staff promotional grades. However, as indicated, other events helped shape the development of The College as a degree-awarding institution such as the disagreement with the Holdings plc Board over the proposed centralisation of support functions, the change of name and the failed takeover bid. The majority of the changes were made over an eighteen-month period which created a degree of tension within the organisation as it tried to adjust to the changes implemented in support of the degree-awarding powers application, whilst at the same time trying to retain the flexibility and responsiveness of the commercial organisation. Setting out the changes that occurred during the period of study was the first step in structuring the data to address the research questions.

The primary research question was set out in chapter four as:

How were the emerging tensions between the maintenance of academic standards and the commercial imperative managed during the application for taught degree-awarding powers in a commercial organisation?

This then raised several subsidiary questions in order to address fully the research question:

- (i) What changes were made to the structure, policies and procedures, systems and processes during the application for taught degree-awarding powers?
- (ii) What was the rationale for these changes?

- (iii) How did tensions manifest themselves within the organisation and what was the nature of these tensions?
- (iv) What strategies did the management team adopt in order to deal with the tensions?
- (v) Were the strategies effective in managing the tensions such that both the academic and commercial objectives were met to the satisfaction of key stakeholder groups?

4. The key themes explored in the chapter

The key changes made are set out in table 5.1 in chronological order. The documentary evidence such as minutes of meetings, published reports, the QAA scrutiny report made public by The College, and the notes of the researcher were invaluable in drawing up an accurate timeline of events. This provided the answer to the first subsidiary research question and formed the basis of the first attempt to structure the data. The discussion in chapter four concerning the creation of meaning units or themes (Creswell, 2007) led to the decision to structure the findings utilising the chronology of events set out in table 5.1 as the starting point and to select those events that were significant in helping to shape the development of the institution during the period of study. The main rationale for using the chronology as a start point is that the changes made at the beginning of the study were significant in that they established new structures or processes and systems which were then built on by incremental changes in later periods. In some instances these subsequent incremental changes reinforced the initial major changes. This pattern of change is supported by the change management literature and in particular the early studies of Lewin who advocated an unfreeze, change, refreeze approach (Lewin, 1943). The incremental changes made can be seen as reinforcing the previous change and part of the refreeze process.

The analysis of the data identified four major themes. These were: perceptions of the public sector institutions methods of working versus those of The College; the cultural change that occurred during the period of study; the actual changes made to the academic infrastructure; and the power of the Academic Council.

The perceptions of the public sector institutions methods of working versus those of The College have their foundation in the period immediately prior to the application for degree-awarding powers being made. Consequently I have dealt with this issue first in the subsequent discussion. This is done with the knowledge that the antecedent events can influence the change processes (Kanter, 1983). Based on the chronology of events it then makes sense to briefly discuss the decision to apply for degree-awarding powers. Again, following the chronology of the actual changes that took place would be the next logical theme, however, the cultural

change is significant in that it emanated from the actual changes, but in turn influenced some of the later changes. I have therefore decided to deal with the aspect of cultural change next, and follow it with a discussion around the actual changes made. The power of the Academic Council is then discussed as the final theme.

The structure of this chapter is as follows:

Section	Theme
5	The decision not to partner with another institution prior to applying for taught degree-awarding powers;
6	The strategic decision to apply for taught degree-awarding powers;
7	Structural and cultural change;
8	The decision to establish an Academic Council;
9	New committee structure;
10	Strengthening the senior management team and academic faculty;
11	Policies and procedures;
12	Nomenclature;
13	The power and influence exercised by the Academic Council:
13.1	The changing of the company name;
13.2	Response to competitor action – proposal for new programme;
13.3	Disagreement with the Holdings Board;
13.4	Interlude – agreement to suspension of scrutiny;
13.5	An unwanted distraction – takeover bid;
13.6	Prospectus preparation;
14	Underpinning theory;
15	Focus on the tensions
16	Summary.

It is recognised that there is a degree of subjectivity in the decision to present the themes in this order, but it is felt that by attempting to do so aids the readers understanding of the development of the tensions between the academic and commercial objectives within the organisation and how they were managed.

The following discussion adopts a narrative and analytical approach to the changes made within The College. The themes are discussed within the conceptual framework identified in chapter three in order to highlight the events and issues where tensions emerged between the commercial and academic aims. The discussion will aid the identification of strategies adopted by the management team that were employed in the management of these tensions. These strategies are then discussed in chapter six.

5. The decision not to partner with another institution prior to applying for taught degree-awarding powers

As reported in section three of this chapter, *Degree-awarding powers application*, The Law School had applied for degree-awarding powers in 2002 under the old criteria but was turned away with the advice that it should consider partnering with another university in order to gain experience of the provision of degree education. Based on this advice the senior management team had been progressing talks with several universities about the possibility of partnering either via franchise or accreditation of degree programmes. One potential arrangement with a post-1992 university to deliver an LLM (masters in Law) almost came to fruition but foundered in the final stages. However, once the application for degree-awarding powers was made for a second time under the changed criteria, The College management continued to hold talks with several universities concerning a potential collaboration. This was also seen as providing a potential fallback position should the application be unsuccessful. Indeed the talks were undertaken with potential partner institutions in the full knowledge of The College's intentions that it had applied for degree-awarding powers and would apply again later if the second application was unsuccessful. This inevitably made for some difficult negotiations. However, there were two main issues that blocked any deal being done with a potential partnering institution. Firstly the senior programme leaders of the law programmes at The College were frustrated by what they perceived to be the lower standards of delivery accepted by the public sector institutions with which discussions were held. As one senior member of staff suggested:

'I don't think it was that the public sector universities' law courses have lower standards than ours, it's the fact that in many cases we deal directly with the major law firms who are able to demand a higher level of service. All of the providers meet the standards laid down by the professional bodies – the Law Society and the Bar Council, but as we compete for the major clients work we go that extra mile to provide a higher standard than our competitors.'

(Senior manager, round 1, see Appendix D)

This highlights that the commercial pressures and competitive environment in which The College operated placed different demands on the organisation. To some extent this degree of differentiation by quality also impacted on the organisational design of the systems and processes within The College in that they had developed in order to be operationally efficient as well as providing high quality service. Part of the competitive advantage was the flexibility and responsiveness to market needs offered by The College. Whilst this flexibility was part of the competitive advantage of The College it also illustrated the bargaining power of

the major client firms. Based on the experience of dealing with major clients The College management team had developed a negotiating style that ensured both parties benefitted from the arrangement. Whilst a similar approach was always felt to be possible with public sector institutions, the key frustrations were summarised by the Principal:

'Part of the reason we never did business was the extortionate fees they [public sector universities] wanted and the length of time it takes to get anything agreed.'

(Principal, round 2)

On reflection the early experience gained from the initial franchise agreement, and the length of time referred to in talks with potential collaborative partners in the public sector, embedded a degree of caution and scepticism within The College concerning the way the public sector worked. This reluctance to embrace anything 'public sector' was seen later when the academic structure of The College was redesigned. The literature discussed in chapter two suggests that public sector institutions need to become more responsive to the changes in the market, and the difficulties in transforming this explored in the writings of Turnbull and Edwards (2005) and Navarro and Gallardo (2003) demonstrate that some of the frustrations experienced by The College management in its interaction with the public institutions was also felt by senior managers within the public institutions themselves.

The tension that developed from the early experience was grounded in the need for The College to be responsive to the demands of the market. The management were frustrated by the length of time it took for negotiations to take shape and were concerned that being tied to a university partner would affect their competitive position.

'If we tie up with a university it will take too long to get things done. While we are hanging around waiting for a decision they [the competition] will be miles ahead.'

(Programme leader, round 1)

Allied to this was the degree of autonomy that The College would have regarding the programmes developed with or validated by another university. The College saw it as a loss of control. These two factors that emerged from the discussions with other universities translated themselves into concerns about adopting university practices within The College. Based on the experience of universities, and this was also partly formed by the fact the many of the senior staff at The College had worked within the university sector at some stage in their career, there was a concern lurking in the background that changing too much within The College to more closely resemble a university was detrimental to the business strategy of The College, notwithstanding the fact that achieving

degree-awarding powers was part of the business strategy. This early experience emerged as a reluctance to fully embrace some of the changes that were implemented which later fuelled the tensions between the management team and the independent members of the Academic Council who were mostly from traditional universities.

The background of the first application and advice of the QAA was evident at the first meeting between the QAA and the senior management. The first question posed by the assessors was: 'Why didn't you partner with another institution?' The management gave the honest answer that in their opinion they felt that the organisation was good enough to apply in its own right and that it met the criteria in all other respects as to its ability to deliver and maintain high quality degree programmes. The management were proud of the success and the high ratings The College received from the professional bodies and were fiercely protective of its standards. In some respects this was viewed by outsiders as demonstrating a certain degree of arrogance by the organisation in that it always assumed that it was 'the best'. Indeed the mission statement of The Law School used to end with the words, 'To be the best in all that we do'. This historical attitude was the cause for concern by some of the newer staff recruited in preparation for degree-awarding powers, as to the impact it would have on the QAA scrutiny team, who were looking for a more critical approach to the organisation. One senior academic commenting on the initial stages of the application process said:

'I was a bit concerned that the stance would come across as arrogant and that it might make the QAA team antagonistic towards us, and demand an even higher standard than required. There was a lot of anti private sector sentiment in higher education at the time, as there still is. The last thing we needed to do was **** them off in the first meeting.'

(Senior academic, round 1)

The different perspectives held by several staff members at the time were exacerbated with the introduction of new members of staff recruited to strengthen the academic teams. The majority of these staff came from the higher education sector and from established institutions, bringing with them their own expectations of standards of higher education provision (indicative of normative isomorphic pressures, DiMaggio & Powell, 1983). The resultant culture clash is discussed later, but its mention here serves to bring attention to the different cultures prevailing within public and private sector institutions.

The QAA team had not scrutinised a private sector for-profit organisation before and it was evident that they were unsure as to what to expect. However as the meetings progressed through the three-day initial visit the atmosphere within the meetings became

more relaxed. There was a sense among The College staff that the QAA team had realised that the structure and processes were, in some ways, similar to that of a public sector institution albeit much more streamlined, and The College's staff began to believe that the systems would stand up to initial scrutiny. Spurred on by the seeming success of the QAA initial visit the organisation's working committees continued with renewed vigour the process of reviewing the regulatory framework and academic committee structure under which it would offer taught degrees. There was a feeling that The College had achieved the first step in gaining legitimacy within the sector.

Part of this feeling of gaining legitimacy can be traced to the success that The College had enjoyed in the field of legal education. The College management saw its success in recruiting and retaining students in a demanding market as evidence of its legitimacy as an education provider. This echoes the findings of Giesecke (2006) in a study of private sector providers in Central and Eastern Europe, where the Rectors (Principals) of the institutions saw success as a coupling of sustained commercial success and the production of graduates that made a tangible contribution to national and corporate welfare of the country. Due to the different perspectives from which the private and public sector institutions viewed legitimacy as a quality education provider, the potential for tensions to emerge during the implementation of the strategy to gain degree-awarding powers was high, owing to the difference of opinion concerning the degree of change required.

The College management believed that the criteria for degree-awarding powers had already been met, by virtue of the application being made. However, the Chair of the Academic Council firmly believed that the academic infrastructure and committee structure needed to be strengthened. This was founded partly on the fact that The College did not have a track record in academic education, but was based on professional education, albeit at H (level 6) and M (level 7) under the FHEQ. Given the foregoing discussion there was inevitably disagreement about how much change was required and the concerns of adopting in full the practices of a traditional university. The Chief Executive commented:

'We are different and the QAA need to recognise that we are different.'
(Chief executive, round 2)

However, the QAA team members were predominately from a university background and had their own view of how the criteria were to be met and the benchmarks were other degree-awarding institutions, i.e. universities. This created a dilemma for The College management team who, in large part, were reluctant to change too much, but realised that changes needed to be made to convince the QAA that the processes were capable of maintaining

academic standards. After reflection the Director of Quality Assurance and Enhancement summed up the dilemma as:

'The problem was that if The College had been partnering with a university for a number of years with its structure as it was at the beginning, then it would have been able to say to the QAA – these are the policies, procedures and processes that have been used to maintain quality standards of academic awards during the last few years and the results, independent assessments by external examiners, partnering universities QA procedures, etc., clearly indicate that they work. In other words we achieve the same academic standards but via slightly different processes. However, The College was saying these are the policies etc that maintain the standards of professional qualifications, albeit ones that are also offered by Law departments in many universities. The QAA then quite rightly thought; OK - will the same policies maintain standards of academic awards. Answer – we don't know.'

(Director QAE, round 2, see Appendix E)

So, The College management were faced with making changes that they did not wholeheartedly believe were necessary, but reluctantly agreed to make. This inevitably resulted in frustrations emerging when the Academic Council requested papers be presented for discussion on issues intended to make The College members consider the policies and procedures as an academic institution. With the benefit of hindsight these proved to be invaluable in helping to shape The College's development over the five year period of the study, but at the time were considered somewhat superfluous by those asked to prepare the discussion papers.

This added to the emerging tensions as the management team realised that a balance would need to be struck between the business aims and the academic aims under which the QAA scrutiny would take place. The difficulty was partly grounded in the perception, built up by the experience of the contact with public sector institutions that meeting the regulatory requirements of the sector meant introducing a level of bureaucracy and inefficiency that went against good management practice. These perceptions created a reticence by The College management team to make significant changes in the early stages which translated into a build-up of tension focused around the correct balance to be struck between the commercial and academic aims. However, as can be seen by the changes outlined in Table 5.1 significant changes were made tipping the balance towards the academic aims.

6. The strategic decision to apply for taught degree-awarding powers

The changes concerning the strengthening of the academic infrastructure described in this study were, as discussed above, eventually considered by The College Board of Directors as being a necessary consequence of the implementation of a strategic decision to apply for taught degree-awarding powers. This strategic direction had been made possible due to the changes in the environment described in chapter two. The significant factor was the change in the regulatory environment allowing non-public sector organisations to apply under the changed criteria of 2004. However, the business case also took into account the fact that governments, particularly in the UK, were adjusting the balance between funding and autonomy for public sector universities and colleges and at the same time increasing the degree of accountability (see Meek, 2000; Eckel, 2007; Ward, 2007). As reported, this led the universities and colleges to adopt more managerial approaches which indicates an acceptance of an increased degree of competition within the higher education sector. The interviews with senior management and academics (rounds 1 and 2) and the market analysis contained within the business plan indicated that the change in criteria for the grant of degree-awarding powers on their own was not enough to justify the strategy, but the changing landscape of the sector and the challenges facing the universities and colleges, the UK political policies in relation to the provision of HE, and the encouragement from the growth of private sectors in other parts of the world, all supported the potential success of the proposed strategy. The business plan identified several changes that needed to be made within The College to fully implement the strategy. As Ramanujam and Varadarajan (1989) suggested a change in strategy requires changes to structure, systems and management processes. This also demonstrates that The College was much more attuned to operating the strategic approach to management suggested by the writers discussed in chapter three such as Taylor and Karr (1999), Navarro and Gallardo (2003) and Turnbull and Edwards (2005) who all advocated that a more strategic approach should be adopted by universities. Furthermore, the strategy was founded on building upon the internal competencies such as the quality of educational provision, a mix of professional and academic lecturers and resources; anticipating changes in the environment; and the potential response that the major competitors may take. This interaction with the environment and effective utilisation of resources for competitive advantage is indicative of the resource dependency perspective discussed by Pfeffer and Salancik (1978) and Child (1972), and later Oliver (1988) who argued that organisations have considerable discretion over the design of their own structures in response to environmental contingencies. This concept of positioning and ability to respond to the environment is partly explained by organisations adopting a loose coupling with

their environments and the actors within it (Aldrich, 1979). The regulatory environment with which The College was now beginning to engage could potentially restrict its ability to respond. In some respects adopting a loose coupling between the organisation and the regulatory requirements may provide a means of managing the emerging tensions between the need to respond to market forces within a highly regulated environment. The ideas of Parsons (1960) on loose coupling were highlighted by Burch (2007) in that educational institutions often attempt to manage the conflict between the alignment of the societal norms and values, described by Parsons as the institutional level, and the technical activities designed to foster the achievement of organisation goals. Therefore there is a disconnect between the outward display of legitimacy-seeking activities and the technical activities of managing the business. There is some evidence of this within The College in that the structural changes considered later in this chapter were made partly for reasons of legitimacy but the actual business management processes of the business did not initially change.

If we view organisations as open systems it is possible to include Holdings plc within the task environment of The College. This opens the possibility of managing the tensions by adopting the concept of loose coupling to bridge the aspirations of the Holdings plc management to expand the 'product' portfolio of programmes to include academic awards, and the need to take on some of the practices of the higher education sector within The College for reasons of legitimacy. The fact that the Principal (who was also the Chairman of The College Board of Directors) was a member of the Holdings plc Board of Directors meant that he could act as a boundary spanning and integrative device between the two sets of goals. On a more detailed level it could also be argued that The College attempted a loose coupling between the management structure and the academic structure. However, the integrated nature of the two proved to be difficult to manage as two interacting subsystems within the single entity and instead became a source of tension within the organisation.

'In the early days there was a feeling that the stuff we did to satisfy the academic requirements was over-the-top and that it was slowing down the development of the business. Before, if a client wanted a change in the course we just did it. Now we have to put it through a series of committees. Not that what we did before wasn't good quality. We just did it quicker. And I mean a lot quicker.'

(Programme leader, round 2)

The key source of tension that emerged from a strategic viewpoint was the impact on the responsiveness of the organisation and speed of decision-making. One approach was to hold academic meetings frequently but this was seen by some

members as exacerbating the slower parts of the structure, epitomised in the mantra, 'ABC', Another Bloody Committee. This was possibly founded on the perceptions of the effectiveness of academic committee meetings. With hindsight, based on the earlier discussions of past experiences, a mindset had developed among some of the management team that anything academic automatically meant inefficiency. In one case the frustrations of having to adopt a more collegiate approach to decision-making manifested itself in an aversion to attending committee meetings. Tensions of this type are indicative of the problems that emerge during cultural change management programmes and are almost to be expected (see for example Kotter, 1996; Pettigrew, 1988; Balogun & Hope Hailey, 2003).

7. Structural and cultural change

The initial changes focused on the strengthening of the academic infrastructure. It was evident from the interviews that senior management felt that The College had developed an excellent reputation in the field of professional education and that this was due to the quality of its educational provision to students and client firms. Therefore the changes were not seen as being significant. In terms of Dunphy and Stace (1994), they were evolutionary and incremental, i.e. small changes to existing processes. However, reviewing documentary evidence of the organisation and in particular the report of the QAA assessors (see Appendix L) made public by The College on its web site in 2009 includes phrases such as: '.... the transition of the College from what the College acknowledges was a programme-driven regulatory and administrative model to an institution-wide one more consonant with higher education' (p.5); 'a significant increase in operational delegation' (p6); '..... constitutes a radical shift in the College's approach ..' (p.8); 'the nature and velocity of the changes taking place within the applicant institution ...' (p.15); '.. noted the striking change in College culture as well as organisation since 2005 ...' (p.16). It is interesting that the changes were viewed internally by management as being incremental, whereas an external view represented by the QAA was that they were significant and demonstrated a transition in the organisation. Indeed, anecdotally they were described as denoting a 'sea change' in the organisation. In retrospect, the Chief Executive reflected that the changes had been much more substantial than initially envisaged. He felt that the most interesting change that occurred over the period was the move from an approach that was closer to top-down management to an approach that could be described as a more participative and inclusive approach.

The reported shift in management/leadership style is worthy of some further reflection. Torraco (2005) discussed the different approaches to change management through an organisational

development lens where the universities are developing the organisation's capabilities to respond to changes in the environment. He contrasts the collegiate style with the top-down driven approach. Torraco likens this contrast in approach to the theories put forward by Beer and Nohria (2000). Theory O represents a change management approach that encompasses all levels and is typically participative in nature, whereas theory E is typical of a top-down approach. There are strong parallels with The College from Kulati's (2003) study in that the change was not the significant factor but the establishment of its legitimacy credentials. Whilst the theory O could be used to represent the collegiate style of management that Kulati found present in the traditional universities, the theory E, the top-down approach, does not necessarily equate to the style adopted as a managerial approach in universities. There is perhaps more of a merging of the two approaches. Much of the literature available concerning the public sector institutions changing the management style focuses on the change from a collegiate style to a managerial approach (see for example Patterson, 1996; Davies et al, 2001; Brown, 2001; Torraco & Hoover, 2005). Whereas perhaps what is required is a more managerial approach to collegiality, i.e. a participative but streamlined approach. There is a perception coming through the published literature on educational institutions that it is the changes in the environment, particularly the social and political changes, driving the need for a market-led, or managerial approach which requires the introduction of business practices (see for example Froeschle & Donahue, 1998; Kulati, 2003). There is an inference that this is somehow incompatible with a collegiate approach to management and that universities should move towards a more business-driven, entrepreneurial outlook (Navarra & Gallardo, 2003; Turnbull & Edwards, 2005). Although Beer and Nohria (2000) identify two theories in relation to change management there is scope to consider them as two extremes of a continuum. Indeed, writers on management and leadership style present a continuum from dictatorial to participative (see for example Tannenbaum & Schmidt, 1973). Leadership theories that adopt a contingency view would suggest that it is possible for an organisational structure to exist that incorporates elements of more than one managerial approach and that leadership style can be adapted to suit the particular situation. For example, Fiedler (1967) identified that leadership effectiveness is the result of the interaction between the style adopted by the leader and the environmental factors within which the leader works. This might go some way to explaining why universities find it difficult to adapt to a more managerial-led leadership style, as one of the environmental factors affecting the leadership style is the organisation's structure. It could be said that The College management adopted a contingency approach to the organisation structure (see Burns & Stalker, 1961 and Lawrence & Lorsch, 1967), as when redesigning the structure, The College attempted

to achieve a balance between what was good about the existing structure and the more collegiate style of a university:

'The structure is intended to achieve the following objectives. To provide:

- 1) A clear, effective formal structure for the immediate and foreseeable future which builds upon the current structure within [the company] without undermining the fluid and efficient decision-making processes that already exist;
- 2) A structure in which each part is necessary, and which uses the time of staff efficiently whilst ensuring that they are appropriately involved;
- 3) A structure that the QAA, PBs [Professional Bodies] and other regulators will recognise as akin to traditional University structures.'

(extract from a paper to the Academic Board, December 2005, and NQSB, November 2005, see Appendix I)

The telling comment from the assessors report is:

'..... the assessors particularly noted that, as the College has matured and its deliberative structure strengthened, a new balance has been struck between executive and collective decision-making, marked in particular by a significant increase in operational delegation '

(QAA assessors report, p.6, see Appendix L)

A senior manager reflected in the interview that prior to the application for degree-awarding powers the management style was predominately top down, with most of the decision making undertaken by the Principal and the Chief Executive together. The introduction of the new academic committee structure created problems in that decisions were still being made at the top and the committees were essentially providing a ratification of the decision. This stems partly from the earlier discussion on the reluctance of some members to embrace the changes as being a necessary part of achieving degree-awarding powers. However comprehensive minutes were produced from the academic committees and passed through the committee structure where:

'Senior management were obliged to be seen to consider the comments of the lower committees for the benefit of the QAA. So, for the first time senior management actually got to find out what the staff below them felt about the decisions they were taking. My feeling is that over time this meant that gradually the senior management started taking notice of the views of the staff and we started to see a more relaxed management style.'

(Senior academic, round 2)

This suggests that the adoption of the committee structure for reasons of legitimacy had the impact of facilitating a change in management style. It is not possible to conclude whether this was the intention of the structure, but it serves to demonstrate that the adoption of the practices of existing members of the organisational field had an isomorphic effect (DiMaggio & Powell, 1983). This also echoes one of the findings reported by Meyer and Rowan (1977) in that members of the organisation go along with the changed practices in order to make sure that it works for purposes of legitimacy – the members commit to making things work. The members of the lower committees played along with discussion issues for which they knew a decision had already been made, but for purposes of legitimacy went through the correct procedure. However, it suggests that as the practice is prolonged the boundary between fiction and reality becomes blurred until the reality becomes more closely aligned to the pretence and the new culture emerges.

There are several points emerging from this discussion that are worth pausing to consider. The initial decision as a response to a change in the environment presented a strategic opportunity which created the need to make changes as part of the implementation. The degree of change envisaged by the management in reality turned out to be more significant than at first anticipated. In order to enter a new organisational field it was necessary to adopt some of the processes and procedures of the existing members for reasons of legitimacy. Over time these had the impact of reinforcing and embedding the procedures into the culture of the adopting organisation. These impacts can successfully be explained by institutional theory. It also evidences the impact of isomorphic forces in that the intention of the management was to retain the essence of the existing structure but the resultant impact of the changes for reasons of legitimacy were greater than originally intended.

This instance of the changed structure also provides discussion points around agency theory. It was evident from the interviews, personal observations and documentation that the structure was changed to fall in line with the QAA Code of Practice for the Assurance of Academic Quality and Standards in Higher Education. During the scrutiny visits the committee meetings were observed by a member of the QAA. The interview data indicated that the presence of the QAA impacted on the conduct of the meetings in that, in the early days of the scrutiny, staff were acutely aware of the presence of the observers. A senior member of the management team commented:

'The meetings that weren't observed by the QAA were much more relaxed. When the QAA observers were there everyone was very careful about what was said. I remember

in some of the meetings we engineered a debate so that the QAA could see we were discussing things.'

(Senior manager, round 2)

This again reflects the findings of Meyer and Rowan (1977) in that members of the organisation are keen to play along and make it work. This also indicates the potential agency effect that the QAA had in that Scott (2008) suggests that the degree of influence exerted by an actor depends on how amenable the organisation is to change. The management team were keen to conform, or at least, to be seen to conform, but the QAA could not actually make the organisation conform. The degree of conformance was up to the management team. They were under pressure from the Holdings plc Board of Directors to achieve degree-awarding powers for commercial reasons, i.e. access to a large undergraduate and postgraduate global market, so in this respect the Holdings plc Board possessed a greater degree of influence, in that they could take more immediate action to pressure The College management team to respond in a certain way. As Colomy (1998) suggests, agency includes not only the intention for action, but the ability to carry out those intentions. However, The College management team could then utilise their decision to comply or not to comply with the regulations, and in some respects to comply or not to comply with the wishes of the Holdings plc Board, as a means of proving their legitimacy to uphold quality standards in the wake of intense commercial pressures. This then puts the Holdings plc Board in the role of agent under Machado da Silva et al's (2005) discussion of agency, as the Holding's plc Board will have impacted on the event, even if not in the direct way it had intended.

This impacted on The College by emphasising the duality of the goals and the tension between the commercial need to make a return on investment and academic conformance. The increased importance placed on the operation of the academic committee structure was seen by The College management as a cost to the organisation by virtue of a reduced flexibility and ability to respond to market demands. This was translated into a perceived reduced effectiveness - note that no data was specifically collected that would allow a conclusion to be drawn on whether the effectiveness of the organisation was affected adversely. This perceived reduced effectiveness was seen as a cost to the organisation, indeed the time spent in academic meetings was seen as a cost, and therefore the tensions emerged between the cost of the changes and the effect on profitability, or The College's ability to make commercial decisions and the requirements of the regulatory environment in which it now operated. This was later to be seen as a short term cost and that there was a trade-off between cost and enhanced quality forming the basis of a competitive advantage.

As reported earlier, not everyone in the organisation was in favour of the degree-awarding powers strategy. A small number of

the staff were of the view that the Law School was very successful and had more than enough work to do, so why waste time and effort on gaining degree-awarding powers. This created a certain degree of tension in early meetings but the argument was countered by management referring to the changing landscape of higher education and the fact that if The College did not take advantage of the opportunity the competitors would. This was borne out by the fact that the largest competitor of the Law School had applied for degree-awarding powers and was seen as a real threat. Thus the tactic of justifying the business decision as a reason for the changes in the structure to comply with the QAA Code of Practice was utilised to quell opposition to the strategy, albeit there was a degree of scepticism in the early days from within the management team. In this respect the power of agency of both the Principal and the QAA over the organisation influenced the strategy and its implementation. The QAA Code of Practice was utilised as a catalyst for the change or in change management terms, the QAA unwittingly became 'an agent of change'. Seo and Creed (2002) noted that individual actors often use institutionalised norms to 'justify their goals and actions and to mobilise commitments and resources' (p.236). This created a dichotomy for senior management as they were championing a change in structure for reasons of legitimacy using the threat of competition as a justification, whilst also trying not to tip the balance too much towards the bureaucratic aspects of a robust academic infrastructure. The tensions between commercial and academic aims were heightened within the Board of Directors as they sought to reconcile the public display of changing the structure, whilst retaining the existing business ethos. The tensions between the academic and the commercial aims were heightened as the achievement of degree-awarding powers became seen as a strategic imperative.

Another aspect discussed within chapter three is that of the management style adopted. Dunphy and Stace (1990 and 1994) identified during their studies of corporate transformational change that a more directive style of management applied to transformational change was more effective than a collaborative style. The previous style of management at The College had been towards the directive end of the spectrum and in instances such as resistance to the change, the management adopted a more directive approach. There was also a growing feeling that obtaining degree-awarding powers would not only open up a large market for the group, but also add to its market standing. The degree-awarding powers were being seen as a mark of approval and in fact a differentiating factor within the existing markets that The College competed in. The Holdings plc Board of Directors had invested a significant amount of money in setting up The Business School and in recruiting senior academics and the reality was that it would review further injections as a business decision. If the application for degree-awarding powers process took too long

there was a danger that the opportunity would be lost, and the Principal did not want anything to jeopardise the application. At a staff meeting, he took a strong stance in setting out in no uncertain terms the rationale for the strategy and why it was important that all staff bought into the process. An interesting aspect here is that one interpretation of the findings of Dunphy and Stace (1990) is that in order to implement changes in the academic infrastructure that is capable of generating and supporting a more collaborative style it is more effective to use a directive style of management. In fact taking account of the argument put forward by Meyer and Rowan (1977) in that organisations engage in 'window dressing' and develop 'double standards' in meeting the mixed expectations, a more appropriate wording may be an academic infrastructure that is capable of *demonstrating* a more collaborative style. However, it was found that in the case of The College a possible outcome of this activity is that the collaborative style, by virtue of the constant need to be seen to be operating in a collegiate manner overpowered the directive style and became dominant within the organisation.

The tensions that emerged from the structural changes focused on the perceptions of an academic committee structure, based in part on previous experience but, on a concern that adopting the practices of universities in full would be detrimental to the commercial need to be responsive to market demands. This is supported by the literature in that many researchers have reported that university structures were inappropriate to meet the demands of a competitive market place (see Brown, 2001; Davies et al, 2001; Navarro & Gallardo, 2003; Turnbull & Edwards, 2005). In the early days of the process, management were somewhat reluctant to change, but as the pressure from the Holdings plc Board and the acceptance that the QAA were judging against the established benchmarks, the achievement of degree-awarding powers became a strategic imperative in its own right. This increased the pressure to make more significant changes than originally intended which created the problem of just how far to go. This holding back from whole-scale adoption of the practices of the organisational field (Meyer & Rowan, 1977 and DiMaggio & Powell, 1983), was not conducive to the smooth implementation of the changes as any change requires commitment from the top and the communication of a clear plan (Kotter, 1996). Until the senior management accepted that the changes were necessary and the achievement of degree-awarding powers became a strategic imperative the tensions emerged within frustrations and disagreements between the independent members of the Academic Council and the senior management at The College.

The Law School was originally structured to facilitate the delivery of three major courses: The Common Professional Exam (known as the Graduate Diploma in Law); The Legal Practice Course; and the Bar Vocational Course. Each programme had its

own structure and staff were very protective of their programme. In fact, as referred to in the discussion above the organisation was characterised by the QAA scrutiny team in their report as essentially programme-led. There were instances of staff taking sides in meetings over issues that would affect their programme. The nature of the 'rivalry' between the teams was in the most part good-natured and when emerging in meetings often resulted in members of one programme team engaging in friendly banter with a member of a rival programme team. In some respects this had been healthy for the organisation as it stimulated competition for success between the programme teams which was beneficial for the organisation. However, under degree-awarding powers this was not particularly a good sign, where the QAA were looking for an institution led culture. This is not to say a degree of competition between faculties in a university would not be healthy, but excessive inter-departmental rivalry can be harmful, particularly to the development of a collegiate environment. In the management literature writers such as Handy (1985) talk in terms of constructive and destructive conflicts within inter-group relationships and the impact they can have on the overall performance of the organisation. For example, Handy (1985) suggests that an element of intergroup discussion, of challenging the status quo, and intergroup competition can be a healthy and positive aspect of stimulating improved performance of the groups. However, where the competition becomes negative and results in direct conflict between groups that manifests itself in acts not beneficial to the organisation as a whole it turns into destructive conflict. However, whilst wishing to retain the distinctive nature of the individual programmes the management felt that it would be a bad thing if programme teams were not seen to be working together as part of an overall organisation.

The management implemented a programme to educate the staff into the benefits of degree-awarding powers and more significantly held a series of meetings to ensure that staff were aware of the activities and practices that the QAA would be looking for during their scrutiny period. Senior staff were also told to present a united front to the scrutiny team. Over a period of months committees were established that covered institutional matters affecting all programmes. Policies and procedures were implemented on an institution-wide basis and slowly the organisation began to adopt new institution-wide practices. One key aspect of the development that assisted this process was the appointment of several key positions, one such appointment being a Director of Quality Assurance and Enhancement that covered the whole organisation, including the newly created Business School. It was noted by the QAA scrutiny team in their final report that this was a key appointment in orchestrating the changes that they witnessed within the organisation over the two-year period of scrutiny.

The appointment of new staff also created tensions within the organisation as the new joiners who arrived from the established universities had expectations of how a degree-awarding institution should function. They arrived with expectations and were presented with a slightly different mode of operation. This created tensions as many of the academic staff recruited from the university sector were more in tune with the academic aims than the commercial aims and often saw a conflict between the two. So whilst, the recruitment of new staff from the operational field helped to provide a degree of legitimacy they contributed to the emerging tension between the dual aims.

8. The decision to establish an Academic Council

The newly established Academic Council proved to be a significant influence and agent of change within the new structure.

The establishment of the Academic Council was documented in a paper presented to the National Quality and Standards Board in November 2005 and subsequently to the Education and Training Committee in January 2006. Extracts from the paper demonstrate the desire to separate the academic from the business decisions.

'Prior to the establishment of the Academic Council, the Board of Directors acted in the capacity of both Senate and Council. The desire to split the management functions from the academic, and, in particular the desire to have an independent forum for matters affecting the equality and integrity of academic provision led to the establishment of the Academic Council, with an independent Chairman and three independent members. The Academic Council therefore took on the "Senate" function while the Board of Directors remained responsible for the financial management of the Company and its estates and resources, and the implementation of its Business Plan.'

'The Education and Training Committee will deal with all matters relating to the quality assurance and resourcing of all educational provision and will report to the Academic Council. All functions relating to estates, finance, personnel etc will fall to the Board of Directors.'

'The Board of Directors and the Academic Council will liaise in the development of the Business Plan and other initiatives where the AC will have authority over the integrity of new initiatives and the Board of Directors over the resourcing of those initiatives.'

'Consideration was given to replacing the Board of Directors with an "Executive Council" to augment, where necessary its membership reflect more closely the traditional Council role and ameliorate the negative connotations that the Academy associate with business intruding into academia.

However, as a Board of Directors is a legal requirement, brings with it regulatory safeguards not placed upon traditional universities and because there is increasing awareness that business ethic, academic standards and social good can be mutually served in the commercial providers, it was agreed to present these differences positively rather than obscure them.'

(Extracts from paper to NQSB and AC
November/December 2005, see Appendix I)

This Academic Council was established to provide the necessary checks and balances on the commercial objectives; to ensure that the academic and commercial elements of a decision could, to some degree, be separated and, as the Chair of the Academic Council commented, the Academic Council would provide oversight of the academic standards. An interesting aspect of this expectation is the use of the word 'oversight' which the Board of Directors deemed to mean:

'.... provide a check on activities to ensure that commercial decisions were not made that were detrimental to the maintenance of quality standards.'

(Board minute, June 10th, 2005)

The Academic Council was constituted of independent members and ex-officio members from The College staff, with the majority being independent. The Academic Council (AC) in formulating the terms of reference was given significant powers and contrary to the intension of its remit being academic decisions, in practice the independent members saw their role as being influential in all the decisions made by the Board of Directors. This proved to be the source of tension between the independent and internal members of the AC.

In a supplementary document to the application for taught degree-awarding powers, which was referred to in the assessors report, the rationale for the AC was given as:

'The division of powers between the Academic Council and the Board of Directors reflects the diarchic structure characteristic of the pre-1992 universities. Powers in academic matters are assigned to the (Academic) Council in the way that they are to senates in many pre-1992 universities. Powers in respect of finance, staffing and the general management of affairs of the institution belong to the [company name] College Board of Directors as they do to the University Council in pre-1992 universities. In other words, neither body has full powers in the way that in all post-1992 universities is assigned to the Board of Governors.'

(The College - supplementary document to application for taught degree-awarding powers, 2005)

What is interesting about this explanation which was written by the Chair of the AC who, along with the majority of the independent members were from a traditional university (pre-1992) background, is that it justifies The College structure on its similarity to that of the pre-1992 universities. Developing a Board of Governors akin to the post-1992 universities was not considered. This comparison with the pre-1992 universities created tension between the members of The College staff and the independent members of the AC. There was a feeling among The College management that the independent members did not understand where The College was coming from. As one senior member of staff commented in interview,

'They [the independent members of the AC] kept trying to turn us into a traditional university. What they didn't seem to grasp was the fact that we weren't in the same market. Our competition would be the post-1992 universities and if anything we should be comparing ourselves with them.'

(Senior academic, round 2)

This incidence of the AC focusing on the pre-1992 universities resonates with the discussion by Kulati (2003) of the different cultures seen between traditional and 'new' universities in South Africa, and the writings of Dearlove (1998) and the structure of 'new' universities. In chapter two, section 3 (p.7) it was suggested that, due to the structure, the newer universities found it easier to cope with the changing environment. The management literature also suggests that to be able to respond to environmental changes rapidly requires a flexible structure (Lawrence & Lorsch, 1967). The conflict emanating from the move towards a structure that resembled a traditional university was seen by management as slowing their decision-making process down.

'What used to take three days to do, now takes us three or four months to get through the committee structure',

(Senior manager, round 1, see Appendix D)

There is evidence behind the decision to establish an AC, and also the decisions that followed that were taken by the AC, of the rationale being for reasons of seeking legitimacy (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). The initial decision to establish the AC was because the management recognised the need to ensure that there was a mechanism to safeguard the academic standards over commercial considerations. The feeling was that the independent members would act in a similar fashion to that of a non-executive director within a public limited company in the UK, in that part of the role is to challenge the decisions of the Board of Directors to ensure that they are taken in the best interests of the organisations stakeholders - but crucially; that the non-executive directors understand the organisation and are recruited for their

specific expertise and experience. However, the independent members, all bar one, who had a professional background, all came from traditional universities and saw the academic aims as being transcendent to the business aims. One AC member commented during a discussion on the appointment of external examiners:

'You are judged based on who you associate with.'
(Independent member AC)

This demonstrates that the idea from institutional theory and legitimacy-building strategies that suggests that organisations follow the existing players in the field was heavily influencing the thinking of the independent members (Dowling & Pfeffer, 1975). In some ways they were protecting the club to which they themselves belonged as it was partly also their reputation that was being put under the spotlight. Based on the work of Seo & Creed (2002), it should have been expected that they would seek to use institutional norms in order to justify their goals and actions. After all they were part of the organisational field to which the organisation they were now partly attached to was attempting to join. As The College was the first private sector commercial for-profit organisation to apply for taught degree-awarding powers, it was perhaps inevitable that there was a concern that this could lead to a lowering of academic standards in the pursuit of the profit motive. At the time of the application the majority of the membership of the Advisory Committee on Degree Awarding Powers, a committee of the QAA, were from traditional universities, therefore by association the independent members were putting their own reputation up for scrutiny in the guidance provided to The College. This could have manifested itself in attempting to make sure that they were seen to be upholding the standards of UK higher education for personal as well as organisational reasons. It was not only coercive isomorphism as described by DiMaggio and Powell (1983) but also professional isomorphism. During the early part of the application process this created tensions between the independent and external members. The Chair of the AC following one AC meeting commented that:

'.... it felt like the internal members against the external members.'
(Chair AC)

The independent members were keen to ensure that the changes were genuine and that the collegiate decision-making and academic oversight was real. Stensaker & Norgard (2001) suggested the notion that organisations that deliberately try and maintain a symbolic side as a facade, create a negative view of organisations. Therefore there was the tension developing of the independent members wishing to fully embrace the academic structure of a traditional university, but the management only wishing to do enough to ensure legitimacy. Therefore some of the

changes were seen by management as surplus to requirements and detrimental to operational efficiency (Meyer & Rowan, 1977).

A mechanism that was utilised to attempt to manage the business of the AC and progress towards degree-awarding powers was a constant dialogue between the Principal of The College and the Chair of the AC, which also helped to manage the emerging tensions between the independent members and the management team. The two individuals would discuss developments on an on-going basis. In the same way that the Principal had used the degree-awarding powers as a justification for decisions, it was also evident that the AC often used the degree-awarding powers as the basis of argument. As mentioned above the assertion by Seo and Creed (2002) that human agency is a strong factor in institutionalism is echoed by Rusch and Wilbur (2007), and now this study, that actors will utilise the practices and norms of the organisational field they are seeking to enter (or in the case of the independent members also a part of), as a means of justifying their actions. In the case of The College the management and the AC independent members were both using the QAA Code of Practice and expectations of the field representatives to justify changes. In the case of the AC they were justifying their actions to The College management, and in the case of management, they were justifying their actions to staff. It is interesting that both actors within the organisation should be using the same aspects to justify their actions but that the degree of commitment and conformity intended was different:

‘The objective was to create a structure that would be recognised by the QAA as being representative of the university system, but retain the good parts of the existing business culture.’

(Director of Quality Assurance and Enhancement, round 2, see Appendix E)

This emphasises the intangible influence of the QAA Code of Practice on the organisational field in an attempt to gain recognition as a legitimate member of the field. It would be possible to sustain an argument that the impact of the QAA Code of Practice that institutions are judged against, creates a situation where organisations must comply as far as is practical with the precepts set down in the Code. Failure to do so would result in a vote of no confidence in the institution which would be damaging to its future prospects. So in the interests of conformity, institutions comply with the norms, values, beliefs and definitions of the system at some level of acceptance (Suchman, 1995). Institutions then need to look for some differentiating factor(s) and may choose to do this by augmenting their provision over the minimum standard(s). The premise of institutional theory suggests that this would be reported as an example of best practice, which would eventually be picked up by all other institutions and potentially implemented by its close competitors leading to

institutions needing to continually seek a differentiating factor. This is the rationale put forward by management theorists that a true competitive advantage is not just unique, but also sustainable (Porter, 1985), or at the least difficult to replicate. Therefore the issue of isomorphism is quite possibly a symptom of the regulatory and competitive environment in the higher education sector. However, a factor that must impact on an institution's ability to implement best practice is cost. It would therefore follow that at some point it becomes impractical for all institutions to implement the latest recorded best practice due to restricted resource capabilities and those institutions that have access to resources would be able to differentiate themselves on the basis of quality.

The AC was attempting to make sure that the QAA would recognise the organisation as an academic institution with appropriate definitions and standards of quality. Indeed as mentioned earlier, one tactic used by the Chair of the AC in the early stages of the change process was similar to the Principal's tactics in managing the resistance by the staff - the use of degree-awarding powers as the rationale or catalyst for change. This created tensions within the organisation in that senior management were finding the AC were insisting on changes that limited the power and autonomy of the Board of Directors over the direction of the organisation in the name of degree-awarding powers. Consequently, the Board was then imposing changes on the staff in the name of degree-awarding powers. There was a battle of resistance on two levels. The Board of Directors realised that the changes needed to be made, but they were taken by surprise about the extent of changes that were suggested, and in some respects as commented by a senior member of staff, 'demanded by the AC'.

The private meetings between the Chair of the AC and the Principal of The College were invaluable in this respect as the battles could be fought behind closed doors and a united front presented to the QAA assessors. The resultant changes were often the result of a compromise or trade-off that both parties could live with. These two key figures were instrumental in shaping the culture of the organisation. In a follow-up interview in August 2010 (round 3), the Principal suggested that if he went through the process again he would not be keen to give so much power to the AC but recognised that it was important to do so at the time, due to the uniqueness of the case. Every party was new to the situation, including the QAA assessors who had not scrutinised a private sector for profit organisation before and therefore playing it safe was the best strategy for all concerned.

To some extent the tensions between the two aims had become embodied by the AC independent members and The College management team. In some ways this was beneficial to dealing with the tensions in that it contained the decisions as to the degree of conformance that was applied or acquiesced to

(Oliver, 1991) within one forum, i.e. the AC meetings. The tensions that emerged between staff and management could largely be dealt with as an inevitable consequence of change and managed appropriately.

9. New committee structure

The development of the new committee structure created an internal debate about the character of The College. The independent AC members were keen to adopt a structure that resembled a traditional university. The College management could see the merits of this for reasons of legitimacy but were concerned about the impact on its ability to respond to the demands of the market. The pressure to adopt a traditional structure is evidence of coercive isomorphic forces (DiMaggio & Powell, 1983). There was an element of seeking legitimacy in the rationale for reviewing the structure and the pressure from the independent members of the AC and the unspoken influence of the QAA scrutiny team led to the resultant structure. The debate and the development of a workable compromise were fully documented through the revised academic committee structure, and the middle stages were witnessed by the QAA assessors. In hindsight this proved to be valuable in convincing the QAA that there was sufficient oversight of the academic standards within the organisation and the systems in place to support them. This cognitive legitimating activity of conforming to established models or standards (Suchman, 1995) tipped the balance between the academic and business aims towards the academic side.

There is evidence of occasions when the AC members, particularly the Chair, made sure that various aspects of the running of the company were discussed through the academic committee structure and documented. This management of agenda items was highly beneficial in the scrutiny process, and also as a means of establishing a pattern of working for when degree-awarding powers were granted, in that it set the tone of future meetings. It demonstrated that The College was a legitimate academic institution as it had adopted similar decision-making processes. This highlights the degree of agency and influence that the AC had over the operational activities of the organisation and in shaping the cultural change that occurred over the five year period.

The management were also aware, as advised by the AC, that the business must flow between the committees and that the Board of Directors could not simply bypass the committee structure on matters that affected the academic life of the organisation. It was noticed that this did slow down the decision making process. However, the committee structure had been designed with an attempt to retain the responsiveness of the

commercial side of the organisation. The Chief Executive in an interview conducted in August 2010 reflected on the changes and whether it had slowed things down:

'Well yes, I suppose it did slow things down a bit. But then, in a way I can live with that because it means our decisions are heavily scrutinised before we commit to them, so in that respect it's probably beneficial to us. I guess we get a business plan that has been poured over by several groups of people.' (Chief executive, round 3, see Appendix F)

Pressed further on the issue of whether the committees were simply there to endorse management decisions or did the committees fulfil their appointed purpose the CEO responded:

'Before I answer in relation to the main committees, let me say that the programme committees have always been the main mechanism for developing the programmes. As you know the QAA noticed the programme led nature of the committee structure when they first arrived on the scene. The other committees such as the LTC [learning and teaching] and ETC [education and training] probably did endorse decisions in the early days, but then we quickly realised that they needed to *make* the decisions. Of course the senior management were also on most of the academic committees by virtue of the dual jobs they did, such as mine of Dean of Law School and Chief Executive, and indeed yours [referring to the researcher] of Dean of Business School and a Board Director so many of the decisions were discussed from two angles. I think that this helped to ensure that decisions were compatible with both sides – academic and business – so yes, the committees fulfilled their intended purpose under the academic remit and in fact were, and still are, an important part of the process.'

(Chief executive, round 3, see Appendix F)

As can be seen the pressure of seeking legitimacy and of being seen to be making it work, rather than paying lip service to the regulatory environment and the QAA guidelines / standards, the balance continually tipped towards the academic side of the dual aims. In some ways this created a tension of its own as management began to use the mantra, 'we are different' to try and stem the rising dominance of the regulatory environment. The College management were conscious of what the QAA referred to as the 'velocity of changes' and attempted to check this flow by restricting the changes made to the committee structure. By placing an emphasis on the committees the management team tried to bring an element of commercial thinking into the committee workings through increasing the discussion on recruitment levels and resources. This can be viewed as an attempt to temper the focus on academic quality by introducing a degree of commercial realism into the discussion, and pulling the

balance of aims back to a state of equilibrium with equal weight being given to each.

10. Strengthening the senior management team and academic faculty

The College continued to strengthen the senior management team by recruiting a Director of Quality Assurance and Enhancement in order to raise the profile of the function within the organisation, but also to allow senior management time to be devoted to strengthening the quality systems in place. The previous record of the organisation's success and its continued success as a Law School made this a relatively easy recruitment to make as it attracted candidates of a high calibre, most of whom were excited by the prospect of being involved in the application for degree-awarding powers. However, recruitment of staff for the Business School proved to be quite difficult prior to obtaining degree-awarding powers. The offer was essentially to spend time developing programmes that could be launched once degree-awarding powers had been obtained, but there was no guarantee. Therefore there was a high degree of uncertainty attached to the offer. The Business School was also keen to recruit people with experience of higher education so as to convince the QAA that the staff were in place to deliver the programmes. A member of the senior management team described it as:

'We needed to recruit staff that were going to impress the QAA and at the same time survive in the private sector. We were a teaching-led institution so we advertised for people with a passion for teaching, which is code for; *you do a lot of it*. But then we pay a lot more than the public sector, so we attract the applicants, but not necessarily people who will keep up with the pace. Also, in the early days it would be difficult to allow much time for research so it was hard to recruit seasoned academics with a good profile into that scenario'.

(Senior manager, round 2)

The aim was to increase the staff with academics that were credible, primarily with demonstrating legitimacy in mind. The culture of the organisation was in some respects different to a traditional university as it was very much 'teaching-led'. In the early stages of the development of the Business School there would be very little opportunity for research, and attracting applicants from traditional universities proved difficult. The existing staff within the Law School had a strong background in the professions plus those that were from academia had exposure of teaching for the professional qualifications as many university Law Schools offered the professional programmes. It was the intention of the Business School to recruit a mix of professional and academic staff to deliver the programmes. However, it was felt that it would be more appropriate to recruit academics with backgrounds in higher education to demonstrate to the QAA that

The College was capable of delivering higher education awards. The College was conscious that its track record and success was founded on professional education and it was keen to avoid any criticism that it could not cope with degree education. The work ethic in terms of potential teaching hours and the uncertainty surrounding the role made it a difficult time to recruit staff that would add a high degree of legitimacy to the Business School. A small number of staff were recruited initially to develop programmes in business subjects. The QAA scrutiny team recognised that the Holdings Board were reluctant to invest large sums of money in staff within the Business School given the uncertainty of degree-awarding powers, but were reassured that additional staff would be recruited with sufficient qualifications and experience before programmes were offered publicly. A similar case in point here is where a LLM in Commercial Law programme was validated and approved by the AC with the condition that sufficiently qualified and experienced staff were recruited to run the programme prior to being launched. The recruitment of staff who were seen to be acceptable to the QAA echoes the comment made by the independent member of the AC reported earlier in relation to external examiners in that it is who you associate with, or in this case who you recruit, on which you will be judged. This is indicative of seeking legitimacy and of isomorphic tendencies within organisational fields.

The new staff who did join from a higher education background also brought a change of dynamics to the organisation. It was more noticeable within the Business School due to its comparatively small size compared to the Law School. Upon joining the new staff brought with them their experience and expectations of academic institutions. This created tensions within The College as the senior staff that had been recruited felt that they had been brought in due to their experience of the higher education sector and expected that their experience and contacts would be valuable to The College in achieving its aims.

‘In reality in the early days when the new style committee structure was bedding down, taking a cynical view, it was probably more accurate to say that it was their CV that was valuable to The College, and not necessarily their opinions.’ (Senior manager, round 2)

However, as the committee structure began to operate more effectively and opinions filtered through to management via the committee reporting structure, the influence of the new staff was felt more acutely in shaping the development of the policies and procedures. This created a degree of tension in the early days, but due to the effect of normative isomorphism (DiMaggio & Powell, 1983) the balance tipped again towards the academic aims.

11. Policies and procedures

Although the policies and procedures had been in operation for a number of years, and were based on satisfying the requirements of professional bodies to a high standard, there was a feeling that the organisation needed to ensure that its regulations were robust enough to stand up to scrutiny by the QAA. A benchmarking exercise was undertaken against other higher education institutions. The Chair of the AC recommended some universities as being good ones to look at. These were traditional pre-1992 universities. One member of the working committee commented:

'The Chair gave us red brick universities as benchmarks, which was not surprising, but to be honest some of them were incomprehensible. We [the working committee] felt that it would be more sensible to benchmark our potential competitors so we started looking at new uni's. There seemed to be a trend in the new uni's drafting the policies and procedures in a more accessible way. We wanted to do that – to show that we could draft regs that were understandable. I guess we wanted to make a point to the Chair that we were not a traditional university, but more modern and student friendly. We wanted to make a point.'

(Member of academic staff, round 2)

It was in this spirit that the committee reviewed and updated the policies and procedures. They were keen to show the AC 'how it should be done'. In some cases the standards adopted were found to be more stringent than those demanded by the professional bodies or found in other higher education institutions. As time progressed and the management became more confident of its standing The College began to set its own quality agenda and relied less and less on the standards of the professional bodies as a benchmark knowing that its own standards, updated in anticipation of degree-awarding powers, exceeded the requirements. Once the regulations had been reviewed the Principal of The College sent the general regulations to their solicitors and asked for a review to ensure that they were legally sound and reflected the practice of HEIs within England and Wales. This was not only due to the legal background of the organisation, but also to demonstrate the concept of being open to peer-review from as many angles as possible. The QAA commented favourably on the degree of external scrutiny to which the organisation subjected itself and the AC commended the team on the readability of the regulations. With each achievement of a degree of legitimacy The College became more confident in its potential to be a fully paid up member of the club that the academic aims began to be considered as part of the decision-making process. The Chief Executive commented in the August 2010 interview that there was less tension between the objectives because the

business aim had always been to provide high quality education. There was now a passive acceptance that the demonstration of quality standards by committees and documented procedures was part of the business.

'It was still frustrating in some respects that a degree of bureaucracy exists but if it demonstrates quality to the necessary authorities then so be it'.

(Chief executive, round 3, see Appendix F)

During the period of the study the academic aims had become embedded in the culture and a means of reconciling the two had been found. This was primarily to incorporate the quality regime into the normal business processes of the organisation.

As the QAA scrutiny progressed The College began to develop academic programmes that would be offered alongside the very successful professional law and now marketing programmes from the Business School which has been launched to generate some revenue. This also prompted a review of standards within the existing programmes. For example the consideration of appropriate entry requirements to the degree programmes prompted a re-evaluation of the International English Language Testing System (IELTS) score required for entry to the law programmes. In hindsight this added to the degree of critical review of operations that the QAA were able to observe during the scrutiny period. A validation event was held for a postgraduate Law Programme that was attended by a QAA representative. The representative attended the internal scrutiny and the final external validation event. However in order to prepare staff fully for the observed event a mock event had been held of the internal validation so that the team were aware of the process. This actually proved to be very beneficial, and particularly so for the first Business School programme validation. The mock event uncovered areas that could be redeveloped and improved before presentation to the real event. The value of these mocks proved very worthwhile as it enabled a thorough review of the programme and for programme teams to rehearse arguments. This helped to embed the academic processes into the culture by rehearsal and ownership of the standards (Giesecke, 2006).

12. Nomenclature

It has previously been mentioned that the organisation was initially programme-led. One of the challenges faced by the senior management was to turn the culture into an institution-led organisation. As a starting point the Learning and Teaching Committee of the Legal Practice Course was expanded to include the whole of the Law School and not just the one programme. Later members of the Business School joined the committee to make it institution-wide. A formal Staff Training Policy was drawn up that encompassed the entire organisation which entailed

gaining agreement from all the programme teams. It was at times such as these that the programme-led culture became all too evident as teams tried to protect their own programmes and practices which differed in minor respects, often as a legacy from the professional bodies which validated the individual programmes. It was also at this time that differences between the private sector operations and the public sector became evident. For example, the organisation was considering recruiting an academic registrar. A paper was considered by the committees, including the AC that highlighted the differences between the role of the academic registrar within a traditional university and that of the potential role within the organisation. It raised the question of whether the traditional role was appropriate, or whether the private sector nature of the organisation meant that a deviation had to be made from the norm. This led to a reorganisation of the registry function within the organisation. It was decided to adopt the terminology of Academic Registrar to reflect the more traditional role within the university sector. This realignment of terminology to comply more readily with the norm within the sector was also evident in the change of use of the term 'course' to describe the three main legal courses offered by the organisation, to refer to them as 'programmes'. The use of terminology and practices adopted by traditional universities also manifested itself at AC meetings. The College adopted the language and labels of the institutions it sought to be compared with as a means of being seen as legitimate (Blum & McHugh, 1971). As mentioned previously in the early stages of the study there was a strong feeling by The College management that the independent members were trying to turn the organisation into a traditional university, when The College management clearly saw the organisation as being different. They could also see that this might be a distinct attraction to potential students and a source of differentiation in the market. There was a sense that The College should be making a virtue out of the fact that it was a private sector organisation, i.e. it wanted to use the differences as a differentiating factor in the market. They felt that the new opportunities created new sources of competitive advantage (Ogbonna & Harris, 2003). However, the independent members of the AC saw this as being dangerous and sought to play down the differences and emphasise the similarities to a university. This tension was managed by discussion and compromise but in the process of scrutiny the AC independent members played the card of the unspoken influence of the QAA assessors and the achievement of degree-awarding powers. The power and influence exerted by the AC over the academic aims meant that in many instances these became the overriding factor that won the argument, as they were crucial to the business aims. In some respects the business aims were reliant on the degree-awarding powers and the academic aims were paramount in that decision. It was also important that the academic aims became embedded within the culture of the organisation as it was the maintenance of academic standards into the future that was important.

As the changes were made practices of the existing higher education institutions were adopted by The College. During the first year following the application (although most of the activities were already being undertaken the benchmarking exercise and the pressure to conform exerted by the AC and the presence of the QAA assessors), in operation, The College began to resemble a public sector university more and more. In discussing change processes Balogun suggests that: 'Thus, when organisations are restructured, individuals engage in active sensemaking processes to understand the implications for themselves, their team/departments and their ways of working with others. Through these they can come to some form of new, and where possible, shared understanding to enable cooperative working within the new structure and the delivery, where possible, of the new goals set for them' (Balogun, 2007, p.83).

There is some merit in this view as the presence of the QAA observers and the increasing awareness by staff of the importance that the College make a good impression to achieve degree-awarding powers, created the rationale and the sensemaking for the staff. The term 'sensemaking' has connotations for cultural change and the forces of isomorphism in that staff rationalised the changes as being necessary for the ultimate goal of degree-awarding powers.

13. The power and influence exercised by the Academic Council

There were four instances during the period of study when the AC wielded its power and influence. These were: the Company name; consideration of developing an academic award in response to market need and competitor action; a disagreement over the degree of centralisation between the Board of Directors of Holdings plc and The College Board of Directors; and the issue of the first draft prospectus following the granting of degree-awarding powers.

13.1 The changing of the company name

At the first meeting of the AC the Chair raised the issue of the company name in that it included the term '[Company Name] Professional Education', which was the corporate brand name, although not the actual company name, of the Holdings plc group. The main concern was that once degree-awarding powers had been gained by the subsidiary company, marketing literature could be created that enabled the whole group to pass itself off as having degree-awarding powers when in reality it was the subsidiary that housed the Law School and the Business School. Reassurance was given by the ex-officio company members of the Academic Council that this was not the intention and that consideration would be given to changing the name. This began the search for an acceptable company name. It also marked the beginning of the tensions between the AC and the Board of

Directors of the organisation. With the benefit of hindsight it also provided evidence to the QAA that the AC held sufficient power and that there were sufficient safeguards in place to stop undue commercial pressure being brought to bear that would have a detrimental impact on the academic quality of the programmes and the student experience, or indeed the misuse of degree-awarding powers. It took many meetings and discussions between interested parties before an acceptable name could be found that encompassed what the organisation did, as well as retaining some recognition of the reputation of the group. After all, one of the key selling factors for degree programmes would be the reputation of the group for professional education, so the company officials were keen not to lose this aspect within the new name. Marketing connotations were also taken into account. For example overseas students were attracted by the term 'university' and not so much by 'college'. The plan was for the subsidiary to apply for the use of the title, 'university college' if it was successful in achieving degree-awarding powers. A compromise was reached and the group's key identifying element was retained within the new name for the subsidiary but with the word 'College' also included.

The management of The College and of Holdings plc felt that this was the AC attempting to test its power in the early stages of its existence. There was a certain degree of reluctance on the part of management to change the name, as was evident in the length of time it took to make the change. The suggestion to change the name was made at the first AC meeting in July 2005 (minutes of AC meeting, July 2005) and the change was not agreed until August 2006, then taking a further month to enact through the Board of Directors. On reflection, to have such an emotive issue as the company name raised by the independent members at the first meeting of the AC set the tone of the next few meetings. There was, as one senior academic put it:

'..... an element of mistrust between the independents and us. After over 35 years of success the first thing they want to change is the name. After that it made us wary of everything they said.' (Senior academic, round 2)

However, the fact that the name was changed indicated that there was acceptance by the management. The chief executive commented in the interview post degree-awarding powers:

'We said to ourselves if the QAA were going to be worried about the name, we'll change it, if it means we get degree-awarding powers. I suppose it was something different. So to mark that with a change of name wasn't such

a bad thing. It gave us the chance to set ourselves apart from the rest of the group.'

(Chief executive, round 3, see Appendix F)

This points to an interesting dynamic in that there was a perception among the staff of The College that if they achieved degree-awarding powers they would have a different status within the Holdings plc group. The early resistance to the change of name was also reconciled with the strategy of obtaining degree-awarding powers and so was rationalised within the context of the strategy - further evidence of the effects noted by Seo and Creed (2002) and Rusch and Wilbur (2007). This made it acceptable to change the name. The rationalisation of decisions based on the internalising of the legitimacy in terms of degree-awarding powers became a strategy for reconciling the tensions between academic and business aims, i.e. the pursuit of one helped achieve the other, so in theory there should not be any tension between the two aims.

13.2 Response to competitor action – proposal for new programme

Another debate/conflict between the independent and company members of the AC that added to the tensions between the commercial and the academic objectives was that surrounding a proposed new programme in law. In fact the tension between the aims and objectives often manifested itself between the independent members representing the academic aims, and the company members representing the business aims. It is also implied within the context of the literature discussed in chapter three, referring to the introduction of managerial practices into universities, that the tensions were manifest within conflict or differing views between 'management' and 'academic' staff (see for example Winter et al, 2000). One of the major competitors, a Law School which was a registered charity, gained degree-awarding powers under the new criteria before The College and immediately launched a programme that converted the Graduate Diploma in Law (GDL) into an LLB degree. This was targeted at graduates without a law degree who would complete the GDL programme as a conversion course. The College had put forward a proposal to do the same, but with an extra element of written work in the form of a dissertation or practical project. One of the independent members of the AC, who was a professor of law, objected strongly on the grounds that what the competitor was doing was degrading the standing of the LLB degree. The contention was that the GDL did not constitute the same legal elements as the LLB and therefore it could not be granted following completion of the GDL alone. The member was adamant that The College should not go down this route and should maintain the integrity of the LLB. However, commercially The College could prove that students had accepted a place on the competitor course having switched from the offer made by The College, therefore there was evidence that the new style LLB was attracting students

to a competitor (minutes of The College Board of Directors meeting, August 2006). There was also evidence that other higher education institutions with law schools were also following suit. It was agreed that a benchmarking exercise would be carried out on the competitor course against the Framework for Higher Education Qualifications and the published standards of the professional bodies and presented to the next meeting. This apparent blocking action by the AC frustrated the management of The College but sent a strong signal to the QAA that academic standards would be upheld. In the event the programme was not put forward for approval again.

This event is significant in that institutional theory suggests that organisations within a given organisational field will respond in the same way to environmental factors (DiMaggio & Powell, 1983). It is also suggested that when field members make a change, the change will impact on the environment. Here was a situation where the competitor has introduced a new programme that affected the competitive environment. Institutions then have a choice as to whether to conform or not to conform (Delbridge & Edwards, 2007). The Board of Directors, noting the competitive threat wanted to respond in kind by matching the offer of its competitors which would then force competition back onto the previous footing based on quality of provision and not on the product offering. The AC viewed the competitor action, and the other post-1992 universities that had followed the competition, as having taken action that reduced the quality standards of the sector and recommended, and in fact utilised its power, to adopt a strategy of non-conformance. In effect the action of the AC had split the organisational field between the pre-1992 and post-1992 institutions and aligned themselves with the pre-1992 universities. This was a source of tension between a commercial response and upholding academic standards. The AC were making their statement to internal stakeholders or alternative actors in the system, namely the QAA assessors, whereas the Board of Directors were making their statement to the competitors and the Holdings plc Board of Directors (see Scott, 2008 on the degrees of power and influence of different actors and Meyer, 1994, on the levels of the environment within which power and politics are prevalent). The tensions between the academic and commercial aims formed part of the decision-making process, as although the commercial aims pointed strongly in favour of following the competition the academic aims pointed strongly towards upholding the academic integrity and making a virtue out of the fact, creating the opportunity for a competitive stance that differentiated The College.

The College management team realising that they were probably going to lose the argument with the AC and the fact that the programme would not be approved made the different approach taken by the competitor the subject of discussion within

the legal press and as a result it also received some coverage on student websites such that any threat from the competition was minimised. The AC had made a stand on quality which The College management then turned into a competitive tactic to avoid the threat. In retrospect the management team felt that not to follow suit was probably the right decision as it strengthened the case for the academic standards holding up to scrutiny, but also set itself apart in the market as being independent of the competition and in hindsight provided an extra dimension to the differentiation factor. As the Principal commented:

'On reflection it was quite a clever move on the part of the AC, because not following suit, and making a virtue out of it, aligned us with the traditional universities in the delivery of law programmes, in that The College was seen to be maintaining the integrity of the LLB degree'

(Principal, round 3)

This has shades of legitimacy-building strategies within the action, as according to Dowling and Pfeffer (1975), legitimacy-building strategies include actively seeking to influence or manipulate the beliefs or attitudes of audiences, either existing or new. The College was effectively seeking to take the moral high ground in influencing its clients, the QAA and the section of the higher education sector that was concerned with law programmes. It was also making it clear to students via the activity on student web sites that The College viewed the LLB as special and not a top-up to a conversion course. This can be viewed as influencing its student audience so is compatible with the legitimacy-building argument and market positioning by distancing itself from the competition on an issue of quality.

This is another instance when the academic aims and business aims served a common master – that of creating a point of differentiation in the market place. It also illustrates that what was initially a decision that increased the tensions between the dual aims, and The College management team and the independent members of the AC, there was a means of reconciling the two by some creative thinking. This ebb and flow of tensions created its own difficulties as the ultimate aim in this case was ensuing that the outcome enhanced the degree of legitimacy afforded to The College, so - although the aims were reconciled - the balance was strongly moved towards the academic aims driven by the need for legitimacy. The isomorphic forces and power vested in the AC were beginning to push the management team towards a more conformist position.

13.3 Disagreement with the Holdings plc Board

Developments at the Holding company level also meant a change in the structure of the group. Prior to this, the group had

been run along federal lines with each division being relatively autonomous. As illustrated in section two of this chapter, there was now a move to operate as what was described as 'a joined-up company' and create efficiencies by centralising the common functions such as accounts, marketing, HR, facilities management, and IT. The drive for efficiencies was also mirrored at The College level, as the Law and Business Schools centralised the registry function so that the four locations from which the Law School operated had one central registry system. However, at the AC meeting at which this development was reported within the Principal's report, concern was expressed that the centralisation of key support functions could be seen as giving significant influence to a body outside of the degree-awarding body, albeit the parent company. The concern expressed was that this potentially meant that decisions affecting the student experience and quality of education provision could be taken outside of The College. This also coincided with the view held by The College Board of Directors as their experience of the first few months of the group reorganisation had led to a marked decrease in the level of service provided by these support functions. This is one issue where the Board of Directors were able to use the power vested in the AC and also use the degree-awarding powers criteria to overturn a parent company decision.

'The Academic Council backed us in the fight against the centralisation of services which placed t-DAP at the top of the list of reasons for not doing it. I think that without their [AC] support we wouldn't have won that particular battle.'

(Senior manager, round 2)

The issue was brought to a head at a meeting of The College Board of Directors at which several members of the Holdings plc Board of Directors were present (minutes of The College Board of Directors, December 2005). Three members of the Holdings plc Board were also members of The College Board but had never previously attended any meetings. This meeting was also observed by the QAA. The key item on the agenda was to obtain reassurance that the service levels would be maintained and that a service level agreement would be drawn up for each support function to ensure that there was no impact on The College's ability to meet, and indeed to exceed, the quality standards expected. The assurance was obtained but it transpired at future committee meetings that the level of service was not being maintained. This created some degree of concern from the AC and some acrimony between the Holdings plc Board and The College Board.

As part of this agreement the Holdings plc directors that held positions on The College Board resigned from The College Board so that there was no conflict of interest and thus reducing the power of the Holdings board on the subsidiary board. The only member of

The College Board to remain a director of the Holdings plc Board was the Principal of The College. This ensured that there was a voice on the Holdings plc board representing the interests of The College. As noted in section six of this chapter, in an organisational design context, the Principal could be described in terms of an integrative device (Lawrence & Lorsch, 1967) as he provided a link between the Holdings plc Board and The College Board. This should assist in the smooth interface of the two elements of the system. However, the human agency impact and the degree of influence that various actors are able to exert on a situation (see Giddens, 1984; Seo & Creed, 2002, and Scott, 2008) can lead to tensions rather than integration. In reality the balance of power had been shifted from the Holdings plc Board to The College by the resignation of the Holdings plc Board members from The College Board. Interestingly, this shift in balance on The College Board, weakened the Board of Directors influence and strengthened the power of the AC, making the AC the dominant actor in the system as far as seeking legitimacy was concerned. In terms expressed by Burch (2007) the strong coupling that existed between the Holdings plc and The College Boards had been replaced by a loose coupling represented by the integrative device of the Principal being a member common to all three groups, both Boards of Directors and the AC.

On reflection this issue served to unify The College Board of Directors and the Academic Council, as in this instance the AC members were extremely supportive of the management's view that services should be decentralised back to the control of The College. The perspectives and motives were slightly different but unified in a common goal. The AC were keen to ensure that the degree-awarding body should have the power to decide its own destiny and relied on the criteria for governance and management to support its arguments. Whilst the Board of Directors also used this as an argument and relied on the AC support in presenting it, they were keen to retain some degree of autonomy over its own destiny. The Holdings plc Board, following extensive overtures by the Chair of the AC and its members, eventually allowed The College to retain control over its own support functions. Tolbert (1985) in her study of administrative structures in higher education institutions noted that interest groups seek to find a solution that is compatible with all interests, and this incident within the application process provided a unifying event that allowed common interests to be served. A Memorandum of Understanding was drawn up between the two Boards of Directors setting out the degree of autonomy. It also recognised that the AC had oversight of the academic quality and had final veto on decisions affecting the provision of academic programmes. But importantly, it also recognised that The College was a commercial organisation and had responsibilities to its shareholders. This formalising of the relationship helped to manage the tensions between the AC and the Board of Directors. This is another

instance illustrating that the tensions and the source of the conflict manifests itself from conflict between people, or human agents, representing values and aims. In situations such as these Tolbert's (1985) finding that the seeking of common ground and a degree of interconnectedness can be utilised to reduce the incidence of tension between the groups with different aims. In the case of The College the different aims were initially embodied within two interest groups – The College Board and the AC. This had the effect of polarising the aims between two parties each being representative of a strategic aim or view. However within the unifying event, the decision became one of being led by the QAA Code of Practice and Degree Awarding Criteria in that degree-awarding institutions should be in a position to manage their own resources in the pursuit of maintaining and enhancing the quality standards, as opposed to business efficiency which in this instance was embodied within the Holdings plc Board of Directors. In this instance a united front tipped the balance towards the academic aims and the integrity of degree-awarding institutions.

13.4 Interlude - Agreement to suspension of scrutiny

Before moving to the last example of the AC exercising its power, it is worth discussing at this point the suspension of scrutiny at the suggestion of the QAA scrutiny team. The QAA had noted the velocity of changes taking place and also the disagreement between the Holdings plc and The College Boards. In fact they had observed the key meetings where this had been a point of heated discussion. The QAA team leader advised that if they wrote their report based on original timescales they would be able to report that there was significant evidence that the organisation had come a long way in a short space of time but that there were many changes still taken place. It was suggested by the QAA team that given the velocity of changes that had been made, and the fact that other changes were still being made, a sensible course of action might be to suspend the scrutiny for six months to allow the changes to become embedded into the organisation and to present an interim report at this stage. There was a concern that if the final report was presented now with changes still being implemented the Advisory Committee on Degree Awarding Powers would suggest that the organisation reapply again in one or two years time. Agreeing to a short suspension of the scrutiny was preferable. The College Board of Directors reluctantly agreed to a short suspension on the grounds that it mitigated the risk of the application being rejected. This took place during March 2006 and September 2006 when scrutiny was resumed. This helped to resolve the issue of centralisation or decentralisation as the Holdings plc Board were investing in the establishment of the Business School, and the longer it took to achieve degree-awarding powers the longer it would be before they saw the return on investment. In this respect the commercial

objectives were driving the need to find solutions to managing the tensions.

13.5 An unwanted distraction – takeover bid

During the early part of 2007 Holdings plc was the subject of a hostile takeover bid. It was perhaps inevitable that the prospect of The College gaining degree-awarding powers and gaining access to a large potential undergraduate and postgraduate market, made the company attractive to potential bidders. The city analysts at one stage suggested that if The College gained degree-awarding powers the share price would increase by £1 per share and if it failed to achieve degree-awarding powers the share price would go down by £1, which serves to highlight the commercial significance of the strategy to the group in commercial terms. The Board of Directors rejected the bid outright as grossly undervaluing the company and not presenting a good strategic fit. As part of the defence strategy The College developed an ambitious academic development plan that included a range of potential programmes that could be offered together with target recruitment numbers. Work had already begun on developing programmes for launch when degree-awarding powers were achieved, but the number of planned programmes was increased within the defence document. The bid failed to develop and was eventually withdrawn. The Board of Directors and the AC had always been alive to the attraction of a private sector company with degree-awarding powers and it was this risk, identified in the risk management strategy and fully disclosed to the QAA, that was the rationale behind much of the protection that had been put in place within the agreement between the Holdings plc Board and The College Board. In connection with this a meeting had been arranged by the Chairperson of the Holdings plc Board who was a member of the House of Lords between the key members of The College, namely the Principal and the Chair of the AC, and the Government Minister for Higher Education. The purpose was to discuss the safeguards that could be put in place to protect the degree-awarding powers from misuse and how the procedures of the QAA could be strengthened to give them the right to audit and scrutinise fully any company acquiring degree-awarding powers by acquisition. There was an attempt to include a potential poison pill within the Memorandum of Understanding in that Holdings plc or any other owning body could not disband the AC without notifying the Privy Council. This unifying interest against outside interference helped to smooth the relationship between the AC and the Board of Directors and also in managing the tensions between objectives due to its unifying impact. It was partly done to add to the claims of legitimacy in that The College could demonstrate that it was concerned about the maintenance of academic standards and was seeking to ensure that this would continue in the event of any takeover.

13.6 Prospectus preparation

On 13th September 2007 the organisation was granted degree-awarding powers on a renewable basis for six years.

Once degree-awarding powers had been granted The College staff produced the draft prospectus. The prospectus that had been developed included many of the programmes that were proposed as part of the takeover defence. This was partly due to the expectations of the Holdings plc and the need to recoup the investment within a reasonable time period in order to generate positive returns. The tensions are again evident here as the need to make a return on investment was a key driver of the academic development plan that was embodied within the prospectus. The AC members felt that this was far too ambitious a plan for The College to implement as a first offering to the market and strongly counselled against it. In fact the Chair of the AC was adamant that the prospectus should be withdrawn and not progressed to publication. This created a degree of tension and considerable disappointment within The College. There was again a strong feeling by the management team that the AC were holding them back and did not understand or fully appreciate The College's capabilities. Again the tensions emerged as the management clearly had a different perspective on the capabilities of The College to deliver the planned programmes. Commercially The College had a track record of resourcing and marketing successful programmes and was fully confident of its ability to do so in this case. However, realising the sensitivity of the situation The College scaled back its original plans and opted for a reduced initial launch. This demonstrates the agency power of the Holdings plc in that the expectations of the return and the euphoria of the moment produced an ambitious plan which was characteristic of the growth of the company over its life. However, the AC was still concerned with the legitimacy agenda and how The College would be perceived by its peers. Launching an ambitious portfolio of programmes was felt to be giving ammunition to those in the public sector universities who were against private sector provision on the grounds of the danger that profiteering strategies would be followed at the expense of quality standards. The Chair of the AC had commented: 'This is precisely what they want us to do', meaning that if The College launched an ambitious prospectus it indicated a profit motive over quality of provision. The 'they' used here referred to the higher education community.

This episode again illustrates the two sets of aims represented by two factions. It is perhaps a unique aspect of the case study that the quality standards and the regulatory element of the environment were strongly represented by an internal group, i.e. the independent members of the AC. This possibly enabled the independent members of the AC to act in an agency capacity by utilising their power within the AC and the organisation

to push for conformity to the norms and values they represented. Internally the basic business strategy had always been to provide high quality education, so it was not the quality issue that created the duality of objectives. It was possible to make a profit by maintaining high quality standards so in this context profit and quality are compatible. The duality was brought about by the particular set of rules and practices that were endemic within the new organisational field. This is where institutional theory provides a better explanation than resource dependency theory. Although The College has always been good at creating interrelationships and interdependencies with its environment (Pfeffer & Salancik, 1978) and creating a differentiating factor to gain competitive advantage (see Fernandez-Alles & Valle-Cabrera, 2006; and Barney, 1991) it was the presence of isomorphic pressures (DiMaggio & Powell, 1983) together with the agency influence (Delbridge & Edwards, 2007) of the AC and the QAA that generated the force for change.

14. Underpinning theory

This chapter has identified and discussed the key changes the majority of which took place in the first eighteen months of the study. It has also been shown that the primary motivation for many of the changes was that of seeking legitimacy (Suchman, 1995 and Dowling & Pfeffer, 1975) and in this respect the changes were led by the need to demonstrate a full compliance with the QAA criteria and Code of Practice in a form which was recognised by the QAA. The decision to change practices to resemble those of the organisational field to which The College was seeking entry is symptomatic of isomorphic forces and can be explained by institutional theory (Meyer & Rowan, 1977; DiMaggio & Powell, 1983). The decisions were also heavily influenced by the independent members of the AC who demonstrated elements of power by virtue of their knowledge and experience (Lawrence & Sudderby, 2006) and the position that the AC held within the structure of The College (Greenwood & Sudderby, 2006) in that they were the guardians of the academic standards and had a responsibility of oversight within the institution. The AC demonstrated elements of agency as defined by Giddens (1984) in that they exerted power or induced an effect.

15. Focus on the tensions

The following table summarises the key tensions and their major source under each sub theme discussed above.

Table 5.2 Tensions arising

Theme	Source and nature of the tension arising
The decision not to partner with another institution	Tension arising from preconceptions.

prior to applying for taught degree-awarding powers	The differing preconceptions of The College staff based on their previous experience or contact/dealings with public sector universities and the preconceptions of the independent members of the Academic Council, and to an extent, the expectations of newly recruited academic staff, created tensions concerning the norms, values and practices between the private sector and public sector mode of operation. This was also evident from the expectations of the QAA assessors.
The strategic decision to apply for taught degree-awarding powers	<p>Tensions arising from the dual aims and objectives.</p> <p>Tensions emerged between the need to separate the executive function and the 'perceived' collegiate deliberative processes required by the tDAP criteria for the maintenance of academic standards. The College had traditionally operated under a managerial approach reporting directly to Holdings plc and although integrative devices, such as the Principal sitting on the Board of Directors of The College and that of Holdings plc, the loose coupling created tensions between the need to demonstrate sufficient deliberative processes for the sake of legitimacy as a degree awarding institution with the requirement by Holdings plc to achieve the strategic objective.</p>
Structural and cultural change	<p>Tensions arising from the need for legitimacy but reluctance to fully conform.</p> <p>Some of the changes were made for reasons of legitimacy as explained in the analysis. This created tensions between the Board of Directors and the independent members of the Academic Council due to the Board being reluctant to make too many changes and, based on preconceptions of public sector universities, to become too bureaucratic. This was somewhat exacerbated by the fact the Board on occasions felt compelled to utilise the tDAP application as the rationale for the change, i.e. they often used the need to be seen as legitimate as the reason for change.</p> <p>The new academic staff, often recruited</p>

	<p>from public sector HE institutions for reasons of legitimacy, brought with them the expectations of the culture of a higher education institution, which was often different from that found at The College. This created some tension as the new staff and the changing culture of The College merged during their settling-in period.</p>
The decision to establish an Academic Council	<p>Tensions arising from a perceived difference in understanding of the business aims of The College.</p> <p>The independent members of the Academic Council were mainly from traditional public sector universities and in some respects safeguarding their own reputation whilst being involved in a private sector institution seeking to 'join the club'. There was a tendency for the independent members of the AC to want to turn The College into a university with which they were comfortable and indeed felt were needed to satisfy the requirements of the sector. This created a tension between the independent and ex-officio members of the AC as The College management felt that the independent members did not understand the business of The College. The ex-office members only wished to make changes sufficient to achieve legitimacy and the tensions emerged around the degree of conformance required.</p>
New committee structure	<p>Tensions arising from the changing nature of the deliberative committees function.</p> <p>The introduction of the amended committee structure created tensions due, not just to the staff becoming used to the changes, but the deliberative nature of the committees seen by the management as being forced on them by the decision to apply for t-DAP. However, staff at a lower level felt the benefits of having a 'voice' that filtered up through the committees reinforcing the cultural change as staff engaged with 'playing the game' of making the committees work for the sake of legitimacy.</p>
Strengthening the senior management team and	<p>Tensions arising from normative isomorphism.</p>

academic faculty	New appointees played a role in reinforcing the changes and the 'new way of working', although this in itself created tension between the new and existing staff, in part due to their different preconceptions of how private and public sector institutions operate.
Policies and procedures	<p>Tensions arising from the need to comply and the loss of being seen, and feeling, to be different.</p> <p>As the policies and procedures were reviewed the pressure from the independent members of the AC to create policies and procedures that replicated those of traditional universities created tensions as the staff at The College saw themselves as being different and resisted adopting what they saw as the bureaucracy of the public sector. This tension helped to create a set of academic regulations that were both robust yet simple in design. The tension seen here is again created by the feeling of a need to resist total conformance, but to do enough for purposes of legitimacy.</p>
Nomenclature	<p>Tensions arising from reluctantly adopting the language and symbols of the HE sector.</p> <p>The College management agreed to changes in certain nomenclature, and in some cases somewhat reluctantly, but again adopted the nomenclature of the sector for reasons of legitimacy.</p>
The power and influence exercised by the Academic Council	<p>Tensions arising from the dual aims and objectives.</p> <p>The key tensions were in fact polarised between the independent members, initially representing the academic aims, and the ex-officio members of the AC, initially representing the business aims. This polarisation at the senior level potentially meant that the staff at lower levels were somewhat removed from the process. This is perhaps different from the situation found in universities where changes made to adopt a more market-led approach perhaps impact on the academic staff much more, whereas at</p>

	<p>The College the academic staff were not impacted greatly, only those involved at the management level. This had the effect of restricting the full impact to the senior levels.</p> <p>The main source of tension emanated from the background and preconceptions of the two parties which was epitomised by the three key decisions discussed of the change of name, the new programme proposal, and the prospectus where in each case the need for action in the name of legitimacy and maintenance of academic standards overrode the business objectives. This degree of influence that the independent members were able to bring to bear on decisions, backed up by the pressure of the QAA assessors scrutiny, created the tension that required to be managed successfully during, and indeed after, the t-DAP process. An added element of tension that hung over the key strategic decisions was the requirement of the Holdings plc Board of Directors who were keen to see a return on their investment. In this instance the aspect of legitimacy enabled The College Board, backed up by the AC, to convince the Holdings Board to remain at arm's length and impartial in matters of academic standards.</p>
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16. Summary

As indicated in the summary table in section 15 the major tensions that emerged manifested themselves in the relationship between the AC and The College management team. This is primarily due to the fact that the two bodies polarised the objectives. Whilst the management team was concerned with the maintenance of academic standards as the business case was predicated on providing high quality education, it was the commercial objectives that were uppermost in the minds of the management team. On the other hand the AC was cast in the role of custodians of the academic standards by their terms of reference and possibly by their past experience. The management team's past experience of university systems was coloured by the dealings with the decision-makers and the operation of quality standards in some higher education institutions. This experience coloured their assessment and expectations of university systems as being inefficient and slow in decision-making. These two criteria of efficiency and speed of decision-making were viewed as being

an important factor in the achievement of objectives in a competitive environment. The starting point of both bodies was based on different perspectives and was judged on different criteria. The views of the independent members of the AC and those of The College management closely represent the two views put forward by writers discussed in chapter three and correlate reasonably well with the management regimes of the traditional and new universities. It was therefore not surprising that tension should arise between the objectives and that they should be embodied and polarised between the two key decision-making bodies within the organisation.

The chief issue was that of speed of response and what constituted an appropriate response in order to reconcile the dual objectives or aims. The new committee structure is the main area where tensions due to speed of response were seen to emerge. This overlaps with the style of management and the cultural change that was required to inculcate a culture of collegiate decision-making, and reconciling the management and collegiate decisions - of finding the appropriate balance between deliberative and executive decision making (Harloe & Perry, 2004) as in any organisation there are some decisions that cannot be discussed within wider circles, e.g. the response to a proposed takeover which was clearly an executive issue. The appropriate response is illustrated well by the proposed new LLB programme or the proposed first prospectus. Here The College management team were focusing on the commercial aspects of the decision. However, even though the new programme would go through the proper processes it fell at the first hurdle by drawing opposition from the independent AC members on grounds of wider academic standards and being seen to take the moral high ground in the face of competitive threat to uphold what they saw as the integrity of the LLB. In the event The College management turned this into a positive outcome. The issue of the prospectus focused on a difference of views about the capabilities of The College and the faith in the ability of management to deliver. The College was convinced that it could deliver the proposed prospectus based on previous growth and experience of launching new programmes, whereas the AC were concerned about how it would be viewed by the rest of the academic community, i.e. the new found peer organisations and members of the organisational field. This source of tension could be described as being between a confidence of ability to obtain the resources to deliver an objective and legitimacy in the eyes of external stakeholders. Another view might be that the commercial pressures from the Holdings plc were pitched against the pressures of an ability to uphold academic pressures from the AC. In this respect the academic structure did its job as the AC prevailed. However it will never be known whether academic standards would have suffered had the proposed prospectus been approved as the resources were never recruited for the proposed prospectus, but only for the reduced agreed prospectus. So even in this case the commercial objectives

were still met, as although the level of business activity was reduced, the profitability targets were met commensurate with the level of business activity undertaken. The College management still did its job in managing the resources of the organisation.

As is inevitable with any change management programme tensions emerge that are created by the fact that a new way of working was implemented and the attendant problems that this brings will always require management. The issue within the case was that in some instances, such as the changes to names and establishing new committees for staff development were seen as cosmetic and therefore not of importance. The rationale was misinterpreted or not communicated effectively at first which created a certain degree of passive resistance from some members of staff. However, as Meyer and Rowan (1977) noted that if staff understand the reasons why changes are being made they will invariably make the systems work. This is a process of sensemaking that Balogun (2007) identified where individuals find a way of making sense of the changes. The new staff entering the organisation also epitomised the concept of professional isomorphism in that they brought with them their own expectations of how a degree-awarding institution would behave and although this created tensions to begin with, it eventually had a positive effect as the existing and new practices merged to reinforce the newly formed culture.

One aspect that is apparent when comparing the experience of The College with the reported experience of the universities introducing a more managerial approach is that the focus of the tensions was at a senior level, i.e. embedded mostly between the custodians of the two objectives. The reports of the university experience focuses more on the tensions created by virtue of the changes as they impact on what is seen as an erosion of the ability of academic staff to influence the working practices and strategy of the university (see for example Winter et al, 2000). The university reports do not focus so much on the views of two distinct management groups. This can be traced to the collegiate style of management within the university sector in that concerns of introducing a more managerial approach to the impact on academic standards will emerge from the academic staff as a group rather than being embodied within a select management grouping. Of course this could be due to the level at which research has been conducted, i.e. conducted mainly by academic staff rather than a member of higher management level. In some respects the tension in the case of The College was much more polarised and therefore possibly easier to deal with, whereas in universities it is likely to be indicative of a much wider cultural issue.

In the majority of themes discussed the balance has tipped towards the academic aims. This can be traced to the influence of the isomorphic forces and the desire to seek legitimacy. This

appears to indicate that the basic premise of institutional theory can explain the forces that helped shape The College over the period of the study. The desire for legitimacy became the driving force such that this becomes the rationale for management decisions, which in turn reinforces this view. However, this fails to take full account of the power of the AC and the influence of the QAA indicating a strong element of agency at work. This supports the view of writers such as Delridge and Edwards (2007), in that agency has a significant part to play in interpreting the impact of institutional theory. The incidence of decisions where the balance tipped towards the academic aims created a source of tension in its own right as the management team had a predisposed perception that this was bad. When further changes and decisions reinforced the rise in importance of the academic aims there became a point when a rationalisation of aims was required. This essentially came with the support given to The College management by the AC in its fight for autonomy from Holdings plc. This unifying event was an important factor in reconciling the aims such that the representative groups were on the same side. This unity was broken again over the proposed prospectus following the grant of degree-awarding powers, but the aims were again reconciled by scaling back the activity to match the AC recommendation, again finding a balance or equilibrium.

The next chapter looks at the range of strategies that were adopted in order to deal with the tensions that emerged during the period under review.

Chapter 6 – Strategies for managing the tensions

1. Introduction

The strategies that were adopted by the senior management team to manage the emerging tensions can be dealt with at two levels. Certain strategies within the change management process were designed to suppress the emergence of tensions at the operational levels in the organisation. It is difficult to implement changes in climates where there is strong resistance to change. As Winter et al (2000) commented, the change towards a more managerial style within universities can create conflict, which presents the possibility for the introduction of a more robust academic infrastructure within a commercial organisation to experience similar conflicts. The challenges to the change within universities stemmed from the academic staff and were directed towards those at a senior level who were introducing the managerial approach. Therefore, for the change to be a success, it is important to gain the support of the staff at an operational level. This can be undertaken by change management strategies, such as communication, education and participation. What is more complex is the management of tensions at the senior level. In order to gain support of the staff there must be a united front presented at the top. Without commitment from senior management, change will not be implemented successfully (Thornhill et al, 2000). In the case of The College, although there were some dissenters at the operational level, the tensions arose at a senior level and were polarised between the Board of Directors and the independent members of the AC who initially embraced different values and norms. In an organisation where the dual aims and objectives can create polarised views at the senior level this can manifest itself at lower levels with factions supporting one particular viewpoint. It is important that the aims and objectives are reconciled at the senior level early in the change process so that the senior managers are seen to be highly supportive of the changes. There is no evidence of factions emerging within The College that gathered any momentum. There were individuals and small groups that did not agree with the changes but their influence was minimised given the strong personality of the Principal and the velocity of change taking place.

These operational and strategic management levels are dealt with separately in the discussion below, although it is recognised that the strategies employed are not mutually exclusive to particular levels of management.

2. Assigning the degree-awarding powers the role of catalyst for change

As part of selling and implementing the change at operational levels, the key strategy adopted was to utilise the degree-awarding powers as the catalyst for change. The concept of a catalyst for

change is a common strategy adopted within change management projects. In the three-phase model developed by Lewin (1943) of unfreeze, change, and refreeze referred to in chapter five, the unfreeze phase often involves a key event or idea that creates, or acts as a symbol for the need to change. The senior management used the aim to achieve degree-awarding powers as the symbol and rationale for many of the changes that were implemented. The degree-awarding powers were assigned the role of a strategic imperative given the changing landscape of higher education, and were presented as necessary for the future success of The College. The QAA assessors were used as the embodiment of the strategic imperative to tangibly represent the need for the changes. By making the QAA assessors such a prominent player in the change management process, it brought them within the system's boundary to become an integral part of the system. The external scrutinisers became the peers that The College had to convince of their legitimacy. They became the representatives of the norms and values of the higher education sector (Suchman, 1995) and, as Dowling and Pfeffer (1975) discuss, the QAA became the representatives of the audiences that The College needed to convince of its legitimacy. In respect of internal audiences the significance placed on the achievement of degree-awarding powers and the need to impress the QAA assessors allowed the rationale, or 'blame', to be placed on the degree-awarding powers. In other words, to counter criticism from dissenters The College management could blame the QAA requirements for the changes that had to be made. As one senior manager commented:

'I suppose we used the fact we needed to make a few changes to bring us into line with the QAA Code of Practice to convince ourselves that what we were doing was necessary, and on occasions we did use the t-DAP to justify the changes to the staff, but I wouldn't say we hid behind t-DAP. Mind you, it made life easier to be able to say, we won't get degree-awarding powers if we don't change.'

(Senior manager, round 2)

In some ways this allowed the management team to use the ultimate aim of achieving degree-awarding powers to transcend the original decision. When the decision to apply for degree-awarding powers was made The College management did not realise the level of changes that would be required, although it was recognised that some changes to structure might be needed. The early benchmarking exercise against the Code of Practice identified more areas where enhancements could be made than originally anticipated. The experience at traditional universities of the independent members of the AC also highlighted areas that could be enhanced. These enhancements were identified against a backdrop of excellent ratings from the professional bodies and so were relatively unexpected. However, as noted by the senior manager above, it was recognised that the changes needed to be

made. Placing such a high importance on the achievement of degree-awarding powers allowed the management team to put to one side the fact that they had taken the decision to apply for degree-awarding powers in the first place, and ignore the fact that the implications were not fully realised at the time. The reason why some of the changes had to be made was because of the requirements for degree-awarding powers, and not the fact that the Board had decided to change things. This reasoning was noted by Seo and Creed (2002) in that individual actors, or in this case a group of actors, often use institutionalised norms to 'justify their goals and actions and to mobilise commitments and resources' (p.236). The original strategic decision was justified on the grounds of the changing landscape of higher education that presented the opportunity, discussed in detail in chapter two, but also presented a threat in that competitors may take the opportunity and gain an advantage if The College did not. The College therefore needed to respond to the changing environment in a way that preserved its competitive position in the market (Easterby-Smith, 1987; Taylor & Karr, 1999; Giesecke, 2006). Therefore the decision was presented as a *fait accompli* and the focus shifted quickly to the implementation and the changes that needed to be made. Those that dissented were quickly dealt with by citing the strategic imperative. As Dunphy and Stace (1990) noted, a directive style of management during a period of change is often more effective. The management was dealing with potential tensions at operational levels in the organisation by using the academic aims as a subsidiary aim subordinate to the business aims. At operational levels any tension could be dealt with via the management hierarchy. However, this was not the case at the level of the AC and Board of Directors in which the dual aims were manifested equally.

3. External factors to reinforce strategic imperative

At operational levels in the organisation the strategic imperative that was assigned to the change was reinforced further by utilising external factors such as the fact that a major competitor had achieved degree-awarding powers before The College. The potential loss of student numbers due to the new programme launched by the competitor, utilising its degree-awarding powers to enhance its product offering, was also used as a means of emphasising the importance of degree-awarding powers for The College:

'The knowledge that our major competitor had achieved degree-awarding powers before we did made us even more determined to be the first for-profit organisation to gain degree-awarding powers [*the competitor although a private sector organisation was a registered charity*]. We were also

quick to point this out to staff which made it even more important that we gained degree-awarding powers.’
(Programme leader, round 1)

This use of external and competitive threats being communicated to staff within the organisation as a means of reinforcing the strategic imperative follows Kotter’s (2008) ideas of creating a ‘sense of urgency’ that is dramatic enough to make employees realise the importance of the change, and also as part of reinforcing or refreezing the changes at a later point in the process. As Pettigrew (1987) suggests, it is using an element of the inner context for change that supports the process; the internalisation of external factors as a reinforcing rationale for change. This, in a way, attempts to reduce the incidence of tensions emerging by focusing on the end result. As already suggested, the management team presented the aim of achieving degree-awarding powers and the maintenance of academic standards as a strategic imperative to the achievement of the business aims.

4. Education

A strategy of education was utilised alongside that of making the degree-awarding powers a strategic imperative, in that involving the staff at all levels by providing training in the new academic systems as part of the business plan facilitated the implementation, but again also served to enable the adoption of the new systems by presenting a business rationale behind the changes. This helped to suppress the emergence of tensions at operational levels in the organisation. This can be supported by the change management literature. For example Johnson et al (2008) identify five different styles of change management: education and communication; collaboration and participation; integrative; direction; and coercive and edict. The management team at The College established a style of education and communication, but also followed it by collaboration and participation as the collegiate culture began to embed itself within the working of The College. As Dunphy and Stace (1990) referred to a more direct style may be appropriate in the early stages and in some respects, as Johnson et al (2008) suggest the style depends on context, scope, nature and the level of resistance encountered. It would therefore not be inconceivable that a mix of styles may be utilised during the timeframe for change. The Principal had made it clear at a strategy away day just as the QAA scrutiny process began, that achieving degree-awarding powers was a strategic objective and anyone who thought otherwise was welcome to leave. However, this approach was not a regular occurrence. The approach was adopted in this case to stop a few minor dissenters disrupting the meeting. As the Principal commented:

'It was done to emphasise how important degree-awarding powers were for The College.' (Principal, round 3)

On another occasion the Principal called senior staff together to sort out a difference of opinion on programme development as it was slowing the process down. These were essentially isolated incidents and a participative style was adopted for the majority of time supported by the collegiate form of the committee structure. The fact that the committee meetings were observed by the QAA also impacted on the conduct of these meetings. The QAA were, to an extent, acting as an agent of change by their very presence in the process, and the fact that they represented the audience whom The College needed to impress.

The strategies of using degree-awarding powers as a catalyst for change, utilising external events to reinforce the reasons for change, and communication and education were effective in managing the resistance to change and implementing the change at an operational level. However, the fact that senior management were employing these change strategies added to the tension between the dual aims at the strategic level, where the tension manifested itself as a difference between the norms and values of the senior management team and the independent members of the AC. This created a difficulty for the senior management to present a consistent perspective for middle managers and to maintain their credibility as being in charge. For example, the proposal to launch a new law programme and the proposed prospectus were prepared at lower levels in the organisation, i.e. the work was done by middle management in full expectation that these would be implemented. Following the battle in the AC meetings neither of these proposals were implemented and senior management had to provide a reason for staff as the apparent change of decision or the AC's decision not to approve. As one senior manager put it:

'It was difficult not to simply blame the independent members of the AC as this could have created a degree of negativity in The College towards the academic structure, which would not have helped the D-A-P application. We were always careful to emphasise the upside of the decision.'

(Senior manager, round 2)

On reflection this necessity to present the change of decision or plan in a positive light assisted the reconciliation of aims for senior management.

5. Dual aims polarised the views

As mentioned, the tensions were more evident at the strategic level as the dual aims were embodied within two distinct groups of senior management in the organisation. The current literature on cases that examine the introduction of a more managerial approach to universities implies that the tensions

emerge between the faculty academics and the senior management, certainly the study by Winter et al (2000) highlights the conflict between operational and strategic levels within the university. This is one key aspect where The College may be different in that the academic aims were clearly embodied and championed by the AC, whereas the business aims, were championed by the management team. The size of the organisation may have contributed to the reason why the AC became so dominant in that its decisions and deliberations were evident to most of the staff within The College, whereas within a large university the Senate or Council may be much more remote to most of the staff. However, the reasons why the proposals were not approved, or the apparent U-turns were made, needed to emphasise the positives. The management team recognised the academic aims as being important, but were concerned about the extent to which they were compatible with the business aims. It is this duality of aims that created the problem in developing the strategy and implementing the change. It was not a case of conflicting aims (Jarzabkowski & Fenton, 2006). It was the degree to which the adoption of the norms and practices of the higher education sector, to which The College wished to gain access, would impact on its ability to achieve its business aims and competitive advantage. The tension therefore arose due to the need to adopt the higher education practices as a legitimating factor. It was the degree of conformance necessary to gain legitimacy that created the tensions.

6. Dialogue and integrative devices

A common strategy employed in change management is that of communication and consultation (see for example, Morrison, 1998; Kotter & Cohen, 2002; Johnson et al, 2008). The dialogue that was maintained between the Chair of the AC and the Principal was instrumental in managing the tensions between the academic and business aims. As mentioned earlier, it was between the AC and the Board of Directors where the tensions manifested themselves more acutely within the organisation and, although there was regular dialogue between the two Chairs, the tension between the independent members and the ex officio internal members was strongly representative of the dual aims. The clashes between the AC and the Board were manifestations of the tensions between the two cultures. In business it is the responsibility of the Chairman to manage the Board, (IoD, 2010) and the role in this case encompassed liaison between the AC and the Board of Directors. It has already been reported that the Principal was also the common factor between The College Board and the Holdings plc Board. Therefore this integrative device (Lawrence & Lorsch, 1967) acted as a conduit for the tensions. This facilitated the reconciliation of aims in that arguments could be rehearsed prior to the larger meetings. In effect the Chairs were doing their job of managing their respective bodies. This is

indicative of the management literature that stresses the need for strong leadership in change management (Kotter & Cohen, 2002). The successful management of tensions within The College is perhaps testament to the strength and skill of the two individuals involved. However this did not stop the tensions emerging at meetings between the two groups. Indeed, to have suppressed the tension could have been detrimental to successful management of the organisation and resulted in the emergence of negative conflict between the two groups (Handy, 1985).

The integrative device could also be described in terms of a loose coupling between the commercial aims and the regulatory environment from where the specific academic aims emanated. The granting of autonomy in the memorandum of understanding between the Holdings plc Board and The College Board created a loose coupling between The College and the source of its commercial objectives, which to an extent relieved some of the pressure. This relates to the work of Scott (1987) in which the distinction between the broad environment and the immediate environment was made. Meyers (1994) took this idea further and suggested that it is at the immediate level where issues of dependency, power, and politics are more prevalent. This is true in the case of The College and highlights why the tension emanated from the senior level in this instance. Seo and Creed (2002) found evidence that individual actors use institutional norms to justify their actions and, as reported earlier, there is evidence of this in the case of The College.

7. The use of unifying events to bring parties together

There was a key instance that highlighted the importance of unifying events in successfully managing the tensions. When the Holdings plc Board of Directors wished to centralise the service functions, both the AC and The College Board were against the strategy. This acted as a unifying event. The fact that both parties were joined against the Holdings plc Board may have helped in that they were unified against what could best be described in this instance as a common foe. The AC saw the Holdings plc Board as epitomising the business aims and the profit motive and, given the discussion over the change of name and the concern that the group would misuse the degree-awarding powers status, they were slightly wary of the Holdings plc Board's motives, fearing that more centralisation meant more central control. The College Board was also protective of its autonomy. As explained in chapter five, the group grew up with a federalist structure and The College had been separated from the rest of the group for the purposes of degree-awarding powers giving it a special status. This unifying event helped to reduce the tensions between the two groups.

The unifying factor could be described as an external body, in that the Holdings plc Board was external to The College, although part of the immediate environment. As a generalised strategy this

might suggest that finding external factors that can be used to unify the aims could be an effective means of managing the emergence of tensions between dual aims. One such entity might be the competition, in that nearly all change management scenarios driven by a change in the environment might be able to use the threat of competition as a unifying force. One such incident described in chapter five was the competitor who, having gained degree-awarding powers, introduced a new programme that attracted students away from The College. The proposal by The College to launch its own LLB 'top up' programme as soon as degree-awarding powers had been achieved as a direct response to the competitive action was blocked by the AC using the argument of legitimacy and reducing standards as the justification. This appeared to indicate that the academic aims overrode the business aims. However the publicity and tactics employed by the management team reduced the threat and the competitor action was not as significant as first thought. The introduction of an alternative strategy was successful and succeeded in reconciling the academic and business aims. The College could be said to have acted innovatively in order to maintain the ethical stance demanded by the AC in support of the academic standards. The College made a virtue out of it and used it against the competition. Therefore another potential strategy for reducing the tension is the use of innovation in order to reconcile the two aims. This may be in contradiction with the academic infrastructure in that some of the arguments put forward as to why universities and colleges need to adopt a more managerial approach is to enable them to become more innovative and responsive. At The College it was the Board of Directors that acted to counter the competitive threat.

8. Seeking to reconcile and rationalise the competing aims

The issue of the new prospectus where the AC had exercised its power to stop the prospectus being published in its original form was rationalised in business terms. The initial prospectus was put forward with the appropriate resources planned to implement the strategy. Once the plan was downsized in terms of the programmes being offered the planned resources, that would have been recruited had the plan been approved, were also downsized. Therefore the business plan was reconciled with the new business aims. Authors such as Chaffee (1985) and Mendelow (1981) talk in terms of stakeholders and managing expectations and the rationalisation of stakeholder expectations and objectives is often referred to as satisficing (Simon, 1955) where a compromise is reached to satisfy all, or as many stakeholders objectives as possible. The strategy adopted by The College was not so much one of satisficing as rationalisation by reconciling the competing objectives or aims. Jarzabkowski and Fenton (2006) referred to the 'process of planning, allocation of resources, monitoring and controlling practices and processes through which strategy is enacted' (p.632) as strategizing. It is possible to see elements of

this within The College but over a period of time the changes that were implemented and the enhanced academic infrastructure became embedded in the culture and the academic aims became part of the business aims. The tensions have worked positively to allow The College to reconcile the dual aims by being innovative in their selection of business strategies. There has been an acceptance, explained by institutional theory, of the fact that the task or technical environment has changed and they have adapted their business strategy to cope. The alternative strategies adopted in the case of the LLB and the prospectus illustrate that the business strategy accommodates the academic aims as well as the profit motive.

The main message arising from the study is that tensions between dual objectives can be successfully managed by reconciling the two. The competing aims usually arise from environmental factors that are embodied in different interest groups. If the tensions are seen as another factor to take into account when making strategic decisions, an innovative solution can be found that reconciles the competing aims. Translated to universities experiencing similar tensions between the need to be more market-driven, the academic ideals can still be achieved by adapting the solutions to suit both aims. Being more business-focused does not necessarily mean being less academic. In fact The College management introduced more commercial elements into the agendas of the academic committees by including a discussion of recruitment levels, resources, developing programmes that were competitive in the market and maintaining the advantage of existing programmes, as well as the long-term viability of the programmes. The academic committees adopted a different focus to the agenda, i.e. one of maintaining academic quality and health of the programmes but they were aware of the business aims. Making quality a differentiating factor in the market place, or at least a given that anything less than high quality provision would undermine the market position, ensured that the regulatory and business aims were compatible.

This leads to one aspect of the case that is relevant to the public sector is that The College employed a generic strategy of differentiation (Porter, 1985) via quality of provision. In this respect the concept of quality standards was part of the business already. Where the origins of the tensions lay was with the mechanisms that the QAA Code of Practice and the norms and practices of the sector employed to ensure the definition of quality provision as defined by the Code. The danger was that of introducing more bureaucratic processes that reduced the ability of The College to respond to environmental changes. It is this aspect that the public sector could contemplate. The need to change the processes so that they are robust, but not overly bureaucratic, to ensure the degree of flexibility and innovation required in the new environment.

The summary and conclusions are presented in the final chapter together with the limitations, reflections for practice and policy and areas for further research.

Chapter 7 – Summary and conclusions

1. A shift in the balance

Prior to the changes being made to the academic infrastructure, The College was firstly a commercial organisation whose competitive position was founded on providing quality education programmes for professional qualifications. Viewed in terms of the metaphor of a seesaw utilised in chapter three, the balance was initially tipped towards the business aims. The academic aims represented a necessary change but one that had negative connotations based on the perceptions built from previous experience. As the changes to the academic infrastructure were implemented the strategies adopted to manage the aims created a reconciliation process within the management team. It was indicative of management engaging in sensemaking as described by Balogun (2007). As each change was made more weight was added to the academic aims but, with the reticence of the management team to abandon the business model to adopt without question the practices of the higher education sector, it could be said that when degree-awarding powers were granted the seesaw was more or less in equilibrium. The key to this was that the two aims had been reconciled in the minds and actions of the senior management such that they became compatible, rather than competing aims. The change process represented a period of acceptance by management that the rigour of the academic infrastructure to support the academic aims could be addressed as part of, and incorporated into the business strategy.

A review of the findings in terms of the research questions helps to clarify this conclusion.

- (i) The key changes made were to the academic committee structure with the introduction of an Academic Council with significant powers of oversight of the academic life of The College. Many of the subsequent changes were at the instigation of the AC, such as the change of name, the review of policies and procedures, changes to nomenclature to resemble that of a university structure, and the development of an academic plan acceptable to the AC.
- (ii) The key rationale for these changes was to gain legitimacy, not just in terms of satisfying the QAA requirements for degree-awarding powers, but for wider legitimacy within the higher education sector. In some instances the changes did appear to be implemented even though they were potentially inefficient, i.e. the legitimacy overrode the need for operational efficiency. For example, the committee structure slowed the decision-making process which was perceived to be less efficient. There is, however, no specific evidence to

suggest that it was less efficient. Indeed due to the subjectivity of this perception it could be argued that better decisions were made due to the improved deliberative processes of the academic infrastructure.

- (iii) The tensions which emerged during the implementation of the changes to the academic infrastructure were grounded in the perception that the public sector systems of a traditional university were bureaucratic and inefficient. These beliefs were based on the previous experience of the management in dealing with public sector universities, but were a generalisation from limited evidence. In some way this could be said of the perception of public sector universities whose spokespeople often imply that private sector means poor quality standards, as evidenced in comments in the educational press (see for example, Tatlow, 2010 and Hunt, 2010). As the changes were embedded the tensions became polarised at the senior level and attached themselves to the two main decision-making bodies, the AC and the Board of Directors. Three specific instances encapsulate the key tension which manifested itself as the academic aims and values overrode a commercial decision. The first was the change of company name, the second the non-approval of a new programme and the third being the non-approval of the draft prospectus for reason of being too ambitious. All three of these issues had significant commercial implications but the academic aims overrode them, interestingly not in terms of quality but in terms of the message it sent to the higher education community. This is highly supportive of the legitimacy argument that it became a significant factor in the decision-making process and emphasises the power of the AC in terms of agency.
- (iv) The strategies adopted were discussed in chapter six, but the key strategy in dealing with the three issues noted in point (iii) above is the rationalisation or reconciliation of the business and academic aims. In each case the final decision driven by the AC could be successfully reconciled with the business aims. The change of name benefited The College in giving it a separate identity to the Holdings plc group, which had a motivational effect on staff and also a galvanising effect on management due to the higher profile the name change gave The College. The decision not to develop the proposed new programme was turned into a competitive advantage by stressing the academic reasons why The College was not following the competitors lead in developing a 'top-up' law

programme. The reduced number of programmes within the first prospectus was reconciled by not implementing the planned acquisition of additional resources.

- (v) In terms of whether the strategies were effective, the primary academic aims were to ensure that the academic standards and infrastructure were robust enough to achieve degree-awarding powers and that the standards are capable of being maintained and enhanced. The business aims were taken as meeting the targets set by the Holdings plc Board of Directors during the period of change and to retain the capability to meet future targets. The academic aims can be said to have been achieved by virtue of the QAA assessors report. The business aims can be said to have been met as the profit targets were met during the period. However, the future capabilities cannot be ascertained due to the takeover of Holdings plc by an American company.

2. Conclusions

The major source of tension was the perceived incompatibility between the two aims. In some respects this was grounded in the past experience of the management team and the low expectations or misunderstandings of the private sector organisation by the AC independent members. Both parties had preconceived views on the nature of the others' values and norms. This can partly explain the tensions within public sector institutions, i.e. a perception that business-like practices reduce quality standards (see for example Salter & Tapper, 2002). Chapter two reported the increasing pressure for higher education institutions to adopt a more market-led approach, but the current literature reporting the changes is mixed in terms of success. Much of the literature based on the public sector warn of the dangers that the presence of the profit motive, or management practices predicated on commercial organisations, means a lowering of the quality standards and a detrimental change in educational values (see for example, Mok, 1999; Salter & Tapper, 2002; Harman, 2003; Barrett & Barrett, 2007; Kember, 2010). However, there are some that report the benefits of a managerial or entrepreneurial approach (see for example, Jacob & Hellstrom, 2003; Harloe & Perry, 2004; Kinser, 2006; Laredo, 2007; Nelles & Vorley, 2010) and there are many supporters of private sector education to be found in the public sector. The published literature reporting specific cases from the public sector of introducing a more managerial approach do not focus so much on the tensions between the managerialist and collegiate approaches, but highlight the loss of academic freedom, the change in working practices, and the potential impact of lower quality standards from the lack of deliberative processes (see for example Winter et al, 2000). Harloe and Perry (2004) suggested that institutions need to find a

balance between speedy decision-making and making time for staff involvement and consultation. Many a decision has been made in haste only to be regretted later. Writers such as Clark (2004) and Davies (2001) emphasise that collegiality does not necessarily mean an organisation cannot be innovative and respond quickly to a changing environment. Indeed if the experience of The College teaches us anything it is that providing high quality education is a sound proposition for a business case. The key to managing the tensions is to rationalise the two aims. If the senior managers in higher education institutions are able to develop a strategy that encompasses the provision of high quality education within clearly defined commercial targets, which could be interpreted as budgetary targets for income generation and control of costs, the two aims are compatible. This then opens up the wider debate which is outside of the scope of the study as to which programmes are offered. The College is essentially a Business School and a Law School. Two faculties which many universities could argue are viable as standalone entities. Whilst this may not work for all faculties, it does serve to emphasise that the model of The College could work at faculty level within a university.

The higher education sector operates in a regulated market, or as Pilbeam (2008) suggests, universities could be said to be operating in an academic market place competing among other things for student and staff resources (see also Slaughter & Leslie, 1997; Barnett, 2005). The QAA Code and degree-awarding powers criteria require a distinction to be made between the effective operation of the deliberative structure and the executive or management structure. The impression that emerges from the existing published literature on universities introducing a more managerial approach focuses on seeing this as being separate or at best, adjacent to, the academic infrastructure. In fact the QAA were keen to see that commercial decisions at The College did not impact on the academic quality of the institutions educational provision. The Code of Practice encourages a loose coupling between the academic and management structures. This is also partly the reason why the tensions emerged between the two aims within The College – i.e. the academic infrastructure as represented by the QAA and the independent members of the AC – was seen as impinging on the operation of executive management decision-making. It took the unifying events of the disagreement with the Holdings plc and the realisation that compliance coupled with high ethical standards could be used as a competitive advantage, before The College management began to reconcile the academic and business aims so that they were viewed as compatible and not conflicting. There are bound to be tensions but this is no

more than satisficing competing objectives in a period of limited resources, i.e. it is no different to any other strategic decision made by management. It is those organisations that find a balance between a robust but flexible academic infrastructure that enables decisions to be made quickly to respond to environmental changes that will survive in the future. The key that released the tensions at The College was the merging of the two structures so that issues that might be seen as commercial issues were also considered at academic committees, e.g. recruitment to programmes, competitive advantage of the programmes, the resourcing of programmes and the long term viability of programmes. The fact that the senior management also sat on the academic committees helped with this process. The balance was in not allowing the academic structures to become too bureaucratic but to allow them to carry out their business efficiently and be seen to be contributing to the management of the institution.

The pressure that the management team felt to conform to the institutional norms was directed from the independent members of the AC and the QAA via the scrutiny team and the degree-awarding powers criteria that are couched in terms of the current mode of operation of universities. The Code of Practice has naturally been developed from the practices of the universities. It will be interesting to see if over a period of time, as more private sector providers enter the market and universities adapt to a more market-led approach to the management of the institutions, the Code will be updated and commercial practices become the norm. Institutional theory suggests that if a private sector organisation becomes very successful at demonstrating the maintenance of high quality provision whilst being commercially viable, over a period of time other institutions will begin to adopt the most effective practices of the leading institutions. Over time this may mean that all universities in the UK are adopting a market-led approach whilst maintaining quality provision.

In summarising the findings from the study it was the strategic decision to enter the market for the provision of academic higher education that prompted the changes to the academic infrastructure, which resulted in a cultural change within The College. This created tensions emerging between the restraints that a more robust academic infrastructure would impose on the ability of the organisation to respond to market needs. These tensions became embodied within two senior formal groups within the organisation, both of which were in a position of power to exert influence and take decisions. The academic aims and the business aims, the duality of aims, became polarised and represented by the two groups. The view represented by each group in both cases was founded on perceptions of the other's viewpoint. Managing the tensions became to be more associated with managing the perceptions as opposed to managing the people. The strategies of communication and education worked well to influence the change

processes and content of change within the Pettigrew framework (1987) at the operational level. As did the creation of the degree-awarding powers as a strategic imperative and using it as a catalyst for change. The fact that the changes were represented by an external body, the QAA, allowed the management to pass some of the blame for the change on to an external body, assigning the QAA the role of agent of change. Unifying events and external shocks were used effectively, such as the success of a competitor in beating The College to achieving degree-awarding powers. This was used as a motivator to stimulate the need for change at a time when the initial impetus had lapsed.

The key factor that effectively managed the tensions between the dual aims was the process of rationalisation. In some cases this involved innovative use of strategic choices, for example, the turning of the rejected programme proposal into a public relations success. In others it meant changing the initial perceptions and coming to accept that adopting aspects of the alternative viewpoint can be beneficial. The key element here was that The College was determined to retain the good parts of the existing organisation but at the same time to try and utilise the good parts of the alternative approach. It was not so much that the management team was rationalising the aims after a decision, but that the AC's insistence on the academic aims being given priority during the scrutiny period, the decision-making process encompassed a consideration of both aims such that this became embedded in the culture and eventually it became the norm to naturally consider both aspects of the decision. Although, as alluded to in chapter three, the theoretical viewpoints of strategic response and resource allocation could explain the process, the main driver was the seeking of legitimacy whilst resisting the temptation to become entirely institutionalised. The concept of agency also impacted on the case as the AC had significant agency power, by virtue of its position and representation of the peer group from which legitimacy was being sought. The intensity of this pressure was increased as the AC members were also conscious of their own legitimacy within the sector by their association with The College. They needed to protect the integrity of their own peer group.

The QAA Code of Practice and the criteria for degree-awarding powers are couched in terms that make it difficult to provide satisfactory evidence of deliberative processes without adopting in part the norms and values of the existing higher education sector. In this respect, the institutional or isomorphic forces of the regulatory framework are strong and will continue to encourage conformity until such time as leading members of the sector adopt sufficiently business focused practices to the satisfaction of peer organisations, which is then reflected in the Code of Practice. The changing landscape outlined in chapter two indicates that a more market-led approach is apparently becoming appropriate and the challenge facing the sector is whether

universities can change sufficiently to operate on a commercial basis yet still retain the quality standards, as did The College.

The recommendation to any educational institution arising from the study is to seek to marry the best practices from academic and business processes. In the case of The College the maintenance of high standards became a corner stone of the business strategy and adopting elements of the university academic processes was one way of demonstrably achieving that aim. Staff need to be educated to realise that the two aims are compatible which precludes that senior management believe this to be the case, as change requires strong leadership. The changing landscape can be utilised as the catalyst for change, but managers should be prepared to be innovative and to challenge the status quo. An existing institution may be able to challenge from within the club more easily than The College, which was driven by legitimacy requirements. As The College learned from adopting the academic infrastructure of a university so universities can learn from adopting the business practices suitable to a competitive market. The experiences of The College may assist managers in accepting that it can be done if they are prepared to come to the problem with an open mind.

3. Limitations

The strategies discussed have been identified from actions taken by The College management team during the period under review. The research was undertaken via participative observation, interview and reviewing documentary evidence of the changes that took place. The strategies have been identified via reflection after the event. They have not been ascertained by asking the management team what strategies they adopted. Therefore there is no evidence that these were conscious strategies that were adopted by management. They have been deduced from observing and reflecting on the actions taken. The findings are therefore in the form of retrospective determination that may be translated into a conscious strategy, i.e. management teams may be able to actively seek out opportunities for unifying events or consciously seeking to find a means of reconciling the aims to avoid the possibility of tensions emerging.

The obvious limitation of the single case study indicates that findings cannot be generalised, but the support the findings give to existing literature indicates that they may be transferable to other cases. Similarly the basis of the case study being within the private for-profit sector and the difference in focus of the primary objective reduces the transferability to public sector institutions. However, the message that the academic aims must be seen as

part of the business aims will provide useful guidance for other for-profit organisations that follow The College by applying for degree-awarding powers.

The College encompassed a Law School and a Business School, both of which are vocational in nature and in many universities would make a positive contribution to the finances of the university. The study of The College could be replicated at a faculty level, but whether the same impact would occur in other less vocationally-oriented faculties is not possible to surmise based on this limited study.

Although the researcher was an employee of The College and indeed a member of the Board of Directors, the research and reporting of the results was carried out with the blessing of the company and the researcher has endeavoured to negate any bias by utilising the documentary evidence for the reporting of facts and decisions taken, and the interview data for the opinions and views. The participant observer data has been used as a reflective mechanism to generate the discussion of the events within the conceptual framework.

4. Reflections for practice

The key issue that emerges from the study is that the academic aims are compatible with the business aims and could be utilised as a source of competitive advantage or differentiation. This is consistent with institutional theory in that even though the players in the market for higher education may adopt the norms and practices of the organisational field, the competitive advantage could be gained by how well the norms and practices are executed and managed. To use a sporting analogy, all teams play by the same rules and invariably adopt similar practices but some deploy their resources more effectively than others and are more successful. However, this analogy also highlights that although the practices and norms adopted are the same, the resources available often limit the degree to which they can be effectively deployed. In similar vein resources limit the practicality of all educational institutions deploying their resources to the same effect.

The main thrust of existing studies that examine change in higher education institutions due to increased managerialism imply that the end result is detrimental to the quality standards or the values of education. The case of The College provides evidence that a managerial approach does not necessarily erode the quality standards of education, and that quality and a market-led approach are compatible. The evidence from universities could imply that it is the implementation of the changes that is at fault and by employing some of the practices adopted by the management of The College the changes would be more acceptable to academic staff (see for example Winter et al, 2000).

The landscape for higher education is still changing and it is highly likely that the need for universities to operate in a more business-like manner will increase. Whilst there is literature extolling the need for universities and colleges to adopt a more managerial approach and become more responsive to the changes in the environment, (see for example, Keller, 1983; Clark, 1998; Davies, 2001; Turnbull & Edwards, 2005; Navarro & Gallardo, 2003) as previously mentioned, some of the current literature in the area of introducing a more managerial approach into universities and colleges (see for example, Randle & Brady, 1997; Mok, 1999; Salter and Tapper, 2002; Welsh & Metcalf, 2003; Harman, 2003; Kok et al, 2010) appears to assume that there is a detrimental impact on the quality of education. However, the study of The College indicates that this is not necessarily the case. Therefore the recommendation from the case study would be for university management to rationalise the introduction of a more business-like approach to management in the context of maintaining quality and academic values such that they are complementary and not competing aims, i.e. to embrace the changes as the management at The College eventually did.

During the institutional audits undertaken by the QAA it would be useful for the assessors to actively seek out and identify areas of commercial practice within universities that are then reflected in the Code of Practice and become representative of best practice within the sector. In this respect an open mind is required of the assessors who, from the experience at The College, had a preset conception of how an institution should work and were unable within their remit to assess the outputs without considering the processes. The focus of the assessment was on process which ignored the output. There appears to be a degree of reluctance within the sector to consider the fact that different processes can achieve high quality outputs. The next decade will see more changes in the sector which may require a change of mindset from university managers. Considering the processes of a commercial organisation could produce benefits in both processes and outputs.

5. Further research

A follow-up study of The College after the institutional audit in 2013 when a re-assessment is due to occur would provide further evidence of the effectiveness of the strategies in embedding the changes and managing the tensions within the organisation. At this stage it would be possible to ascertain the impact that American ownership has had on The College which would add a different dimension to the study and open up the possibility of a comparative study.

There are now a number of private sector organisations that have successfully applied for degree-awarding powers and it would be interesting to see the extent to which they conform to the expected norms and values of the public sector institutions.

Another angle would be to investigate the degree to which institutions were influenced by the QAA and the Code of Practice. This would provide further insight into the aspect of agency within institutional theory.

Wider research could be conducted on the impact of the changed criteria to the diversity of education providers in the UK, especially as current government policy is to encourage private sector provision. This also presents the opportunity for comparative studies of other countries that are changing the criteria for private sector providers. For example the researcher has been involved with a private sector organisation which has recently opened campuses in Sri Lanka and Kenya where the governments are opening up the higher education sector to private providers to help meet demand for education. It would be interesting to study the quality regimes and whether they have an impact on the willingness and ability of private sector organisations to seek to enter the market for higher education as degree awarding bodies.

Appendix A – Managerial positions at The College and those interviewed

Interviewees were selected for their involvement in the application for taught degree awarding powers and change processes.

Position	Round 1 May – June 2007	Round 2 June 2008	Round 3 August 2010
The College Board of Directors			
Chair of The College Board of Directors and Principal of The College		12 th June 2008	10 th August 2010
Chief Executive and Dean of Law School		13 th June 2008	19 th August 2010
Programme Leader and Director of LPC and Deputy Chair		19 th June 2008	
Programme Leader and director of BVC and Deputy Chief Executive		21 st June 2008	
Marketing Director			
Dean of Business School			
Finance Director			
Senior Managers			
Programme Leader and director of GDL			
Director of Information Services	17 th May 2007		
Head of Registry and Student services	17 th May 2007		
Director of Quality Assurance and Enhancement	6 th June 2007	7 th June 2008	
Head of Business Programmes	5 th June 2007		
Middle Managers			
Deputy programme leader LPC	25 th May 2007		
Deputy programme leader BVC – Head of Centre - London	22 nd May 2007		
Deputy programme leader GDL	8 th June 2007		
Senior Academic and Head of Centre Manchester	11 th May 2007		
Senior Academic and Head of Centre Leeds	15 th June 007		
Marketing Manager	30 th May 2007		
Facilities Manager			
Human Resources Manager			
Head of IT			

Appendix B – Schedule of documents reviewed

Application for taught Degree Awarding Powers Application

Supplementary information for application taught Degree Awarding Powers

Internal note from meeting with Sir Alan Wilson of DES attended by Chair of Holdings plc, Principal of The College and Dean of Business School (the researcher) 7th March 2006

Internal note from meeting with the Minister for Higher Education (Bill Rammell MP) attended by Chair Academic Council, Chair of Holdings plc, Principal of The College and Dean of Business School (the researcher) 16th April 2007

Interim report of the QAA Assessors

Final report of the QAA assessors

Access to all College and programme marketing material

Minutes and papers of committee and board meetings as follows:

Board of Directors	Academic Council	Education and Training Committee	Learning and Teaching Committee	National Quality and Standards Board	National Management Board	Business School Board	Staff Promotions Board	School Review Boards and validation panels
July 2004					July 2004			
					August 2004			
September 2004				September 2004	September 2004			
					October 2004			
November 2004				November 2004	November 2004			
					December 2004			
January 2005				January 2005	January 2005			

					February 2005			
March 2005				March 2005	March 2005			
					April 2005			
May 2005				May 2005	May 2005			
					June 2005			
July 2005	July 2005			July 2005	July 2005			
					August 2005			
September 2005				September 2005	September 2005			
October 2005	October 2005				October 2005			
				November 2005	November 2005			
	December 2005							
January 2006		January 2006		Replaced by Education and Training Committee				
		February 2006	February 2006					
March 2006	March 2006	March 2006						
May 2006	May 2006	May 2006	May 2006					
June 2006		June 2006						
July 2006		July 2006						
August 2006			August 2006					

September 2006	September 2006	September 2006						
October 2006		October 2006						
November 2006	November 2006	November 2006	November 2006					
January 2007		December 2006				January 2007		January 2007 Law Programmes validation
February 2007		February 2007				February 2007		
	March 2007	March 2007				March 2007		March 2007 accounting programme
April 2007			April 2007					
May 2007	May 2007	May 2007				May 2007		
June 2007								
July 2007	July 2007	July 2007				July 2007	July 2007	
August 2007	August 2007		August 2007					
September 2007		September 2007				September 2007		
	October 2007							
November 2007	November 2007	November 2007				November 2007		
December 2007			December 2007			December 2007	December 2007	December 2007 –HR programmes

								Mock validation
		January 2008						January 2008 – Accounting programmes and HR programmes
	February 2008					February 2008		February 2008 – Actuarial programmes
			March 2008					March 2008 HR programmes validation
April 2008		April 2008				April 2008		April 2008 Marketing programmes validation
	May 2008							
			June 2008					

Appendix C – Interview themes and question areas

Round 1 – main focus on changes

Discussion issues

Impact of the changes

How have the changes affected your job?

View of the changes

Do you see the changes as being positive or negative?

[In the light of answer above] Were there any benefits or problems related to the changes?

With the benefit of hindsight do you think The College could have done anything differently? What would your advice be for other private sector institutions applying for degree awarding powers?

Influence of QAA

Do you think the presence of the QAA scrutiny team had an impact and if so what?

What impact do you think that gaining degree awarding powers will have on The College?

Explore good points and bad points

Views on partnerships

The QAA were surprised that we hadn't run degree programmes in partnership with a university – How do you think the application would have been affected if The College had been in partnership as the [major competitor] did?

Round 2 – main focus on tensions

Now that The College has had degree awarding powers for almost a year, how well do you think the changes made in order to gain degree awarding powers have worked?

How do you, or do you, think the QAA influenced the changes made?

How have the changes affected the decision making process?

How have the changes affected your ability to meet targets?

What degree of influence do you feel the Academic Council has over the direction of The College?

How would you describe the relationship between the Executive Management and the AC?

How do you think the changes have impacted on the operation of The College?

The QAA implied that there had been a cultural change at The College? What factors do you think made them come to this view?

On reflection would you recommend doing anything differently if we were going through this again?

Round 3 – seeking reflections of CEO and Principal

Has anything else changed since June 2008, i.e. since I left The College?

Looking back over the changes made, are there any changes that stand out as having been particularly beneficial to The College?

Looking back over the changes made is there anything that was implemented that with the benefit of hindsight you would not implement if you started again?

How do you feel the ability of management to make commercial decision has changed as a result of the DAP process?

How much pressure do you feel the regulatory environment places The College under in being seen to do the right thing?

How has strengthening the academic infrastructure of The College affected the operations of the Schools?

Thinking about the HE sector, how has DAP affected The College's ability to interact and relate to other HE institutions?

Relationship with the AC

Who sets the agenda?

What tactics do you use to manage the relationship with the AC?

How has the change of ownership affected The College?

What advice would you give other commercial organisations applying for tDAP?

Appendix D – Transcript - Round 1 – Deputy programme leader (Senior manager and lecturer on professional programmes)

Explanation of purpose and interview protocol

I = Interviewer (researcher)

I - To begin with I'd like us to explore the changes that have been made as part of the t-DAP process.

I - Could you explain how the changes have affected the way you do your job?

DPL - Sure. To be honest I don't think it has affected me personally that much. I mean I still do the resourcing of the programme, deal with student issues – all the things I used to do, so personally, in relation to the job, it's pretty much the same. If anything it takes longer to get things done than it used to. Before I'd chat to A (programme leader) and she'd chat to PC (CEO) and CL (Principal) and if it wasn't major and didn't get us in trouble with the Law Society, we'd do it. Now it has to go to the ETC, then be approved by the Board and if it's major the AC.

I - Could you give an example?

DPL Well if we needed to change around the timetable and modules to accommodate more groups we can't just do it anymore.

I – I know what you mean, but it depends on whether it affects the students learning experience or not. The GAR's [General Academic Regulations] cover minor and major changes to programmes but if you wanted to change the timing of lectures within the modules you could do that at programme level and report it as part of the monitoring report.

DPL - Ah. I think you just made my point. It's got slightly more regulated than it used to be.

I – or transparent as C [Director of QAE] might say.

DPL - Mind you when I worked at the University of xxxxxxxxxx there were lots of things that went on that we wouldn't get away with here.

I – why do you think that is?

DPL - Probably because they had degree awarding powers and we don't.

I –OK - As you raised other universities let me ask this now. Do you think it would have been better if we had partnered with a university prior to applying for t-DAP?

DPL - I'm not sure. We might have picked up some bad habits. But seriously I'm not sure that we would have done. When we were talking with xxxxxxxxxx we had problems with the quality of teaching materials as

we provide the printed notes and the level of contact hours was much less in the uni. So there were quality issues. The same issues cropped up when we spoke to xxxxxxxxxxxxxxxx. I don't think it was that the public sector universities' law courses have lower standards than ours, it's the fact that in many cases we deal directly with the major law firms who are able to demand a higher level of service. All of the providers meet standards laid down by the professional bodies – the Law Society and the Bar Council, but as we compete for the major clients work we go that extra mile to provide a higher standard of service than our competitors. We do very well out of the law courses .. sorry – programmes, so it seems like a lot of money to invest just to be able to do law degrees, when we are pushing the market leader on the LPC.

I – But the C o L [major competitor] have been granted degree awarding powers already so do you not think that we would have had to have done it at some point?

DPL - I guess so, but they already did a law degree with the OU and I don't see lots of degrees being offered so I'm not sure what they gained from it.

I – thanks – that's really useful and maybe a discussion for later. Can I concentrate on the changes for a while and ask if you think that overall the changes have been positive or negative – taking an overall view.

DPL - Well I guess that overall it makes sure that the students get a good deal – with the focus on student experience etc. and to be fair it will give us more credibility with the major clients as it was their inquiry about masters courses that prompted the first application – so overall yes – it's worthwhile, although I still think that we have gone over-the-top on some aspects.

I – In which areas?

DPL - Committees – we have too many bloody committees. And too much focus on the regs. I know C is just doing his job but I'm sure universities don't go through so many hoops to get a programme approved.

I – I have to say I wouldn't know. But isn't it the same as the Law Society having to approve programmes.

DPL - Well yes – the Law Society validates what we do on the LPC but they are external. My point is that the committees are internal and they ought to know what we do anyway, so it should be much quicker.

I – yes, but surely part of it is to be able to demonstrate that everything has been properly reviewed before we do it?

DPL - So that we can convince the QAA that we went through the process.

I – That as well. And a point well made. Which brings me nicely to another question – What influence do you think the QAA had on The College?

DPL - I think we did a lot of things because they were on site. We engineered a debate on e-learning at one programme committee they attended just because they were there. Mind you I think that it meant that some things got discussed that might not have got the time if they hadn't been there. Certainly people minded there P's and Q's when they were in attendance. If anything it gave us the opportunity to get our views expressed. So that senior management saw it in writing so to speak. In that respect it was quite good, leaving aside the fact things take longer.

I – so overall do you think that the changes had some benefit?

DPL - Overall – probably. Although it hasn't changed the quality of what we do. Programmes are still the same and the Law Society reports are still the same.

I – you mentioned earlier that the changes hadn't really changed what you do – Do you think it has affected the academic staff?

DPL - To be honest – no. Most of them aren't affected by the changes. They just keep doing what they have been doing. The biggest change has been at the manager level by having the increased committee structure. It's not changed the operation at a teaching level.

I – Are there any changes that were made that you think have been beneficial or detrimental to the way The College works?

DPL - Probably not. The increased bureaucracy is the main thing. As I mentioned earlier what used to take us three days to do, now takes us three or four months to get through the committee structure.

I – To an extent I think you are right if it's a significant issue as the AC only meets about 6 times a year, but it shouldn't slow things down too much. Any good points?

DPL - At the moment I can't think of anything that I would definitely say is better from point of view. I'm still trying to get my head around the new regs.

I – OK – thinking about the way the changes have been implemented is there anything that could have been improved?

DPL - In terms of implementation probably not. The sessions that C did before the QAA arrived were really good, but I suspect that a lot of the staff that weren't involved in the committees have forgotten it and just got on with their jobs. If we get degree awarding powers some update sessions might be useful. And some training for staff on the changed regs would be useful.

I – we mentioned the C o L earlier, do you think that gaining degree awarding powers will be a benefit or hindrance to The College in the future?

DPL - Put like that, I guess it will keep us on competitive terms although I suspect that we will make the money out of the professional courses and not necessarily the degree programmes.

I – Thanks – is there any advice that you would give to other commercial providers about applying for degree awarding powers?

DPL - Maybe try and keep the bureaucracy to a minimum!

I – that's covered all my planned areas – is there anything that you would like to add?

DPL - I don't think so. Hope it was useful.

I – very. I've got some more interviews to do but if there is anything that I need to clarify is it OK if I come back to you.

DPL - Of course.

End of interview

Appendix E – Transcript - Round 2 – Director of Quality Assurance and Enhancement

Introduction – purpose and interview protocol

I = Interviewer (researcher)

I – Just to say many thanks for agreeing to be interviewed again. It's about a year since The College gained degree awarding powers – could I ask how well do you think the changes made in order to gain degree awarding powers have worked?

Q - I think that they have worked really well, but then I am probably biased. I know there are some that don't agree.

As you know the objective was to create a structure that would be recognised by the QAA as being representative of the university system, but to retain the good parts of the existing business culture. The QAA were obviously happy as they granted degree awarding powers and we have successfully validated several programmes so on that basis I think they have worked well.

I – how important do you think that making sure that the QAA were happy was to the changes we made?

Q - On the basis that we were the first commercial organisation to go for degree awarding powers, I think very.

The problem was that if The College had been partnering with a university for a number of years with its structure as it was at the beginning, then it would have been able to say to the QAA – these are the policies, procedures and processes that have been used to maintain quality standards of academic awards during the last few years and the results, independent assessments by external examiners, partnering universities QA procedures, etc., clearly indicate that they work. In other words we achieve the same academic standards but via slightly different processes. However, The College was saying these are the policies etc that maintain the standards of professional qualifications, albeit ones that are also offered by Law departments in many universities. The QAA then quite rightly thought; OK - will the same policies maintain standards of academic awards. Answer – we don't know. So, as I say, I think satisfying the requirements was important.

I – on that basis how much influence do you think the QAA had over the decisions?

Q - Directly – none.

I – hang on, you just said that the changes to the structure were made primarily so that they were recognised by the QAA etc?

Q - Yes – but the QAA didn't influence that directly. Admittedly the QAA needed to recognise the structure, but it was difficult within the old structure to prove that the deliberative process was sufficiently separated

from the executive function. I would say that the Chair of the AC made a bigger impact than the QAA.

I – but the Chair had a background in QAA assessing so is that not an indirect influence?

Q – Yes – I'll grant you that, but the Chair was concerned about the potential for commercial pressure from the Holdings Board to make decisions that had a detrimental effect on the quality of student learning. Hence the convoluted discussions over the change of name and the MoU.

I – Is that not indicative of the pressure that the AC placed on the College Board?

Q – You could view it like that, and I concede that the AC steered the agendas to fit with what the QAA were expecting to see. In fact the Chair did a very good job in that respect. If you remember the AC in Leeds that was cut short due to the problems on the trains he cherry picked the agenda items to ensure that items that were of QAA relevance were discussed and left the less important ones for the next meeting.

I – so is that not window dressing for the sake of the QAA – i.e it influenced the agenda even though the QAA weren't at that meeting?

Q – Well yes – but it's also managing the agenda to select the important academic elements.

I – can we talk a bit about the influence of the AC as we seem to be there already?

Q – No problem. I think the Chair was very influential initially and as you know everyone was getting a bit annoyed with the pedantic manner and CL (Principal) was tearing his hair out on occasions, and I got fed up with lengthy discussions as to whether the regs should include the word, 'shall' or 'must', and the difference between a policy, procedure, regulation, protocol etc, although it is helping with my EdD, but looking back I think that if we had not had such a strong Chair we would not have achieved what we did. Of course we will never know, but as the QAA had no real experience of a commercial set up, having him there must have provided some reassurance.

I – I suspect you are probably right. On the subject of the AC, as you were not on the Board of Directors, but on the AC, how did you view, or do you view the relationship between the Board and the AC?

Q – On the whole I think there is a healthy degree of respect between the two groups. At times it's obvious that the AC tries to yield its power and that antagonises the Board, particularly PC, and yourself on occasions. The biggest example being the prospectus – What was, incandescent with rage I think was the description of DM [Chair of the AC]. But even you must agree that it was ambitious to begin with – mostly a hangover from the takeover bid defence document, but it made sense to go easy. If we messed up it would have been disastrous for The College, and the AC – and the government as it was in favour of private sector organisations.

I – granted – so am I right in thinking that you feel that a degree of angst between the members is a good thing?

Q - Tensions I think is the term that Prof AR [independent member of AC] would use. It's part of the role. But the meetings that CL has with Prof DM [Chair of AC] goes a long way to alleviating some of that. If they can agree then the AC is usually happy.

I – good – can we move on to the operations of the college. Do you think that it has changed much over the period?

Q - Well, as you know I wasn't here prior to the application so I'm not sure exactly how it used to work, but from my discussions with everyone when I arrived, as I think we said at the beginning the idea was to keep the good bits of the old and ensure that changes didn't impact too much on the way the organisation operated. Certainly from the three years or so I have been here there is more sharing between programmes and campuses than there used to be. What was it - from programme led to institution led, I think the QAA said.

I – cultural change – I wanted to ask you about that. We touched on it last time I interviewed you for my assignment, how do you think it has changed since we got degree awarding powers?

Q - I think its hit home now that we have validated several programmes. Before we actually got degree awarding powers we weren't really doing it for real, but now there is definitely pressure to get the programmes up and running and to get students on them. The parent [Holdings plc] wants its return on investment. So people are definitely taking it more seriously. Maybe that is creating pressure and I notice people complaining about the procedures but it's important we do things properly and don't start cutting corners.

I – do you think that the Board are finding it more difficult to meet the targets?

Q - No I don't think so. From what I gather from CL the targets are realistic. The main Board seem to realise that it will take time to build up credibility in the market and the new Chief Executive [of the Holdings plc Board] seems to be keen based on the future potential review we have just been through.

I – That seemed to take a while to do and it created some uncertainty, can I just ask you about whether you feel that the decision making process has got slower as a result of the changes?

Q - More deliberative is a term I might use. There are certainly more people involved in the decisions that affect the academic side of things. I can see why people complain and there is the need to think ahead much more, which you could argue is a good thing. Plus we don't necessarily have to wait until the next meeting, so we can still respond quickly when we have to.

I – thanks, that's really useful. Finally if I may, if we were to go through this process again would you do anything differently?

Q - In hindsight I'd probably try and organise more up front training sessions so that we could explain the rationale for the changes much more. Part of the problem has been that people were not really aware of how things were supposed to work so they didn't work as effectively as they could initially. Although we tried to arrange sessions the volume of teaching that goes on it is difficult to get all the staff together at the same time. But it worked reasonably well I think.

I – thank you. Just to say that if there is anything that I need to clarify I might come back to you, but thanks very much. That is really useful.

End of interview

Appendix F – Transcript Round 3 – CEO

Introduction and protocol issues

I = Interviewer (researcher)

I – Thank you for seeing me again and helping with my research. Could I perhaps start by asking if there have been any other changes since I left The College?

C – Well, we've been acquired XXXX but I suspect you know that.

I – yes. I had some shares so did OK out of it. As you brought it up, how has the American ownership affected made much difference?

C – Not really – they just leave us to get on with it at the moment. I think they feel that we know the market better than they do and are seeing how we get on. We've got targets, but nothing dissimilar to how things were previously. There has been talk about teaching qualifications and the possibility of a medical school but nothing's happened yet.

I – that's interesting because one of the things I been reading about is that often new entrants begin small and then expand to become more credible in the market. Do you think that that is the reason?

C – No – I think it's that they have interests in teaching and a medical school already and were just looking at the possibilities.

I – anything else changed? – I notice you have an Academic Registrar now.

C – Yes – JW – we decided in the end that we really needed one. We have a new independent member on the AC as well, Prof RK.

I – yes I saw that – he's an ex-president of CIMA and I did some work for him when he was Dean at the OU.

C – Yes – he's at Norwich Business School now. A very useful additional as he is business rather than law. The AC used to be a bit biased towards law so its good to spread the expertise.

I – How's the relationship with the AC these days?

C – Oh you know – MJ [Chair of the AC] is not as pedantic as DM [old Chair now retired]. CL [Principal] has regular meetings with him so it keeps things smooth.

I – Whilst we are on the subject of the AC apart from the regular meetings between CL and MJ are there any other tactics, for want of a better word, that you use to 'keep things smooth' as you say?

C - No, I don't think so specifically. Generally as long as things go through the proper channels the AC meetings go quite smoothly. The agenda is agreed between MJ and CL, but then as you know we established standard agenda items, so unless there is a specific decision to make it's been business as usual at the majority of meetings.

I – How is the committee structure working now? I remember it was seen as slowing down the decision making.

C - Well yes, I suppose it did slow things down a bit. But then, in a way I can live with that because it means our decisions are heavily scrutinised before we commit to them, so in that respect it's probably beneficial to us. I guess we get a business plan that has been poured over by several groups of people.

I – One thing that came out of the second round of interviews was that sometimes the committees simply ratified the Board decisions.

Oh – right – interesting. Before I answer in relation to the main committees, let me say that the programme committees have always been the main mechanism for developing the programmes. As you know the QAA noticed the programme led nature of the committee structure when they first arrived on the scene. The other committees such as the LTC [learning and teaching] and ETC [education and training] probably did endorse decisions in the early days, but then we quickly realised that they needed to *make* the decisions. Of course the senior management were also on most of the academic committees by virtue of the dual jobs they did, such as mine of Dean of Law School and Chief Executive, and indeed yours [referring to the researcher] of Dean of Business School and a Board Director, so many of the decisions were discussed from two angles. I think that this helped to ensure that decisions were compatible with both sides – academic and business – so yes, the committees fulfilled their intended purpose under the academic remit and in fact were, and still are, an important part of the process.

It was still frustrating in some respects that a degree of bureaucracy exists but if it demonstrates quality to the necessary authorities then so be it.

I – You mentioned compatibility there. Do you think that there is a view that the academic and business are compatible?

C - Yes – I think there is. We've always had a strategy of quality education so if academic standards means quality then yes they are compatible.

I – that's interesting, because I am coming to the view that quality is different to the maintenance of academic standards, in that the standards are the processes and procedures that QAA can monitor, but quality is more subjective.

C - Yes – I can see what you mean. Quality is the strategy and maybe academic standards is the process that ensures it is acceptable quality.

I – so going back to the academic and business aspects do you think that the two are reconciled rather than seen as conflicting?

C - Put like that, I suppose they are. We don't compromise on standards so things go through the proper committees and that helps to make sure that we make good business decisions, because as I say, the decision is scrutinised by several groups of people.

I – That's helpful. As we to an extent covering old ground again, could I just get your views on something I noticed in the data I've collected. I've identified three instances where the AC insistence led to the academic aims overriding if you like the business aims. There was the change of name, the LLB and the new prospectus. Do you think that's a fair assessment, that the power of the AC tipped the balance?

C - Well in the case of the change of name, I remember we said to ourselves if the QAA were going to be worried about the name, we'll change it, if it means we get degree-awarding powers. I suppose it was something different. So to mark that with a change of name wasn't such a bad thing. It gave us the chance to set ourselves apart from the rest of the group. So in that respect it wasn't that significant in the end. In fact now we can use University College it doesn't make any difference.

On the LLB and the prospectus we lost the argument, but then if you remember the idea of DM [the then Chair of the AC] to benchmark the C o L's programme against the standards was a stroke of genius as we could then use it to our advantage. And I suppose that the prospectus was just a matter of how much resource we threw at it. The AC were right to pull us up and to make sure that we didn't mess up.

I – thanks – that's great. Can I just ask a couple of questions for you to reflect on the changes. Looking back over the changes made, are there any changes that stand out as having been particularly beneficial to The College?

C - Well I think the committee structure actually works quite well. As I said it means a group of people scrutinise things before we commit. It involves more people so that aspect is good. It takes a bit more planning so I guess we are a bit slower than we used to be, but I wouldn't say it has hampered us to any great extent.

I – thanks – and the other side of the equation - looking back over the changes made is there anything that was implemented that with the benefit of hindsight you would not implement if you started again?

C - I'm tempted to say the committee structure again, but maybe I wouldn't give quite so much power to the AC. But then if we hadn't we might not have got degree awarding powers. We don't have a Board of Governors being a commercial organisation so I suppose we needed something.

I – I was going to ask about decision making, but I think that we have covered that sufficiently and I'm conscious of taking up too much of your

time. Could I ask whether you feel that the regulatory environment places The College under pressure to be seen to be doing the right thing?

C - Absolutely. We are still clearly being watched and some are waiting for us to make a mistake. CL may have told you that he started carrying the M o U and the AC terms of reference around as he got fed up with people saying that we weren't regulated. There are still a lot of misconceptions and miss-reporting about us.

I - I tend to agree that there is this feeling that private sector automatically means lower standards. Do you think that having degree awarding powers has made it easier to interact with the HE sector?

C - In what way?

I - well I'm thinking in terms of getting external examiners, validation panel members, membership of associations etc.

C - In terms of external examiners the Law school never really had a problem because of the reputation of the school, but generally people have been more keen to talk us. CL is in demand – quite a number of universities have contacted us since we had degree awarding powers. So in that respect yes.

I - thanks – and finally may I ask if you have any advice for other commercial organisations applying for tDAP?

C - Be patient I think is the key message. It can take a long time from start to finish.

End of interview

Appendix G - Interview protocol

Thank interviewee for sparing the time to participate.

Explain that the interview is part of the data collection for the DBA in Higher Education Management and that the topic is looking at The College and its experience of the tDAP process. [For the second round it was mentioned that the focus was on managing the tensions between the maintenance of academic standards and the commercial imperative].

[Note: for round 3 interviews it was mentioned that the researcher had received a job offer from a competitor commercial organisation that was applying for degree awarding powers. Therefore nothing confidential should be discussed.]

Interviewees have been selected due to their involvement in the application and changes that have been made to the academic infrastructure of The College.

The identity of the company will be kept confidential (although people in the sector will probably recognise it) but I would like to refer to interviewees by title, such as Senior manager, or Programme Leader. [In the case of DQAE,. CEO and Principal ensure they are happy for the title to be used, as they were only ones carrying those particular titles and could potentially be identified].

Explain that the data will be seen by myself and any quotes used will be cleared with the interviewee before being used. A hard copy and electronic copy of the thesis will be kept in the University of Bath library and hence in the public domain.

The interview will be recorded for accuracy and to allow the flow to be more conversational.

Explain that there is a range of areas I would like to discuss but am happy to discuss any issues that the interviewee feels are relevant that are not raised.

The interview will take no longer than 45 minutes.

Appendix H - Sample documentation – NQSB September 2005 – paper to consider role of Academic Registrar

NB: The actual company name has been blanked out for reasons of confidentiality. Copies of minutes have not been provided as they frequently refer to individuals and to preserve anonymity of individuals wherever possible the sample documentation has been restricted to papers discussed at meetings relevant to the research.

NQSB - September 2005

NATIONAL QUALITY AND STANDARDS BOARD

DISCUSSION PAPER: RECRUITMENT OF AN ACADEMIC REGISTRAR

Introduction

1. This paper aims to set out the traditional role of an Academic Registrar in the university sector, set out the traditional person specification and contrast this to the structure and needs of [REDACTED].

Role of the Academic Registrar

2. In the university sector the most senior administrative officer is the Registrar and Secretary. He or she answers to the Vice Chancellor, who is the head of the University. In a business model the VC would be the Chairman and the R&S the Chief Executive. Under the R&S is a range of administrative heads of department, or corporate services as they are increasingly known, e.g. the deputy or academic registrar, directors of development/alumni, estates management, finance, hospitality and accommodation, information, legal services, personnel, etc).
3. The Academic Registrar's responsibilities vary between universities. The academic support functions within a university's administration are usually divided into two broad categories: the academic registry and the academic office. The former deals with the administration of student matters such as recruitment, admission, progression and graduation, while the latter deals with academic quality control i.e. validation, review, teaching and learning quality, QAA liaison, partnerships and planning. Depending on the history and structure of the administration and the quality and personalities of the senior staff, the registry and academic office may be one unit presided over by an Academic Registrar, as at Birmingham University, or, as at Sussex University the two units may be split and presided over by different heads. It may also be the case that some of the registry support and administration functions are devolved to the academic faculties.¹
4. Consequently the Academic Registrar may be a senior administrator with expertise in the management of processes and procedures, or he or she may be a senior institutional figure with these and broader responsibilities for the development and growth of the university's academic products.
5. Applicants for the post of Academic Registrar would usually be expected to possess the following minimum skills and experience:
 - O good Honours Degree;
 - O IT literate;
 - O conversant with student database systems:

¹ This may explain why Sussex has over 70 registry staff while only having a turnover of 98 million while Birmingham appears to have a staff of 31 while having a turnover of circa 300 million.

- O conversant with the Data Protection Act;
- O excellent communication skills;
- O several years' experience in an Academic Registry environment in a university at a senior level, having supervised administrative and secretarial staff;
- O conversant with QAA requirements and procedures;
- O familiar with HEFCE funding mechanisms;
- O working knowledge of drafting and interpreting academic and assessment regulations;
- O experience of dealing with student cases - in particular, unfair practice, appeals, assessment issues (including Examination Boards).

Role of the Academic Registrar within [REDACTED]

6. The proposed appointment begs a number of questions about the appointee's role and responsibilities in the [REDACTED] context: e.g.
 - (1) how does the core role at [REDACTED] relate to that in a traditional university and should the advertisement highlight those differences?
 - (2) are the traditional candidate criteria appropriate in the case of [REDACTED]?
 - (3) who will the AR report to?
 - (4) what role will he or she have in coordinating the work of the course and site registrars?
 - (5) should the appointment of an AR herald a consolidation or rationalisation of the functions of the course registrars?
 - (5) what is their reporting relationship to CE, Managing Directors and Directors of Programmes and to DoQAE?
 - (6) given the roles of the DoPs, MDs and myself what will the core functions of the AR be?
 - (7) subject to the above, should we be looking for a traditional candidate?
7. There is clearly a value in introducing a coordinator of registry functions across all sites and programmes. There is also a value in including some aspects of students support services within this role. Such a coordinating function may provide opportunities to introduce new operating methods within the Registry that provide a better service to students and staff. However, to secure the benefits that such an appointment may bring the role, responsibilities and reporting structures should be addressed and aspects of how we currently operate need to be reviewed.

[REDACTED]
14/9/05

AR paper [REDACTED] 14/9/05

2

Appendix I – Sample documentation – NQSB November 2005 – paper to consider committee structure

Discussed at Nov 2005 NQSB

Discussed at Dec 2005 AC

ACADEMIC COUNCIL

COMMITTEE STRUCTURE

INTRODUCTION

1. The senior tier of the current [redacted] committee structure has the following components:
 - The Board of Directors
 - The Academic Council
 - The National Quality and Standards Board
 - The National Management Board
 - The National Resources Executive
 - Executive Committees for each site
 - Programme Management Committees
2. Prior to the establishment of the Academic Council, the Board of Directors acted in the capacity of both Senate and Council. The desire to split the management functions from the academic, and, in particular the desire to have an independent forum for matters affecting the quality and integrity of academic provision led to the establishment of the Academic Council, with an independent Chairman and three independent members. The Academic Council therefore took on the "Senate" functions while the Board of Directors remained responsible for the financial management of the Company and its estates and resources, and the implementation of its Business Plan.

Proposed Structure

3. The current structure has a number of committees which have overlapping functions and of which the majority of members are the same. To streamline the committee structure, and ensure that issues are dealt in context and in the appropriate forum some of these committees have been merged. Thus the NMB, NQSB and the NRE have been merged to form the Education and Training Committee with relevant areas remitted back to the site executive boards and the Board of Directors. The ETC will deal with all matters relating to the quality assurance and resourcing of all educational provision and will report to the Academic Council. All functions relating to estates, finance, personnel etc will fall to the Board of Directors
4. The Board of Directors and the Academic Council will liaise in the development of the Business Plan and other initiatives where the AC will have authority over the integrity of new initiatives and the Board of Directors over the resourcing of those initiatives.

5. The proposed structure is set out at Annex 1.
6. The structure is intended to achieve the following objectives. To provide:
 - (1) a clear, effective, formal structure for the immediate and foreseeable future which builds upon the current structures within [REDACTED] without undermining the fluid and efficient decision making processes that already exist,
 - (2) a structure in which each part is necessary, and which uses the time of staff efficiently whilst ensuring that they are appropriately involved;
 - (3) a structure that the QAA, PBs and other regulators will recognize as akin to traditional University structures.
7. Consideration was given to replacing the Board of Directors with an "Executive Council" to augment, where necessary its membership, reflect more closely the traditional Council role and ameliorate the negative connotations that the Academy associate with business intruding into academia. However, as a board of directors is a legal requirement, brings with it regulatory safeguards not placed upon traditional universities and because there is increasing awareness that business ethic, academic standards and social good can be mutually served in the commercial providers, it was agreed to present these differences positively rather than obscure them.
8. Set out below are the composition and terms of reference of the Academic Council, Education Committee and Board of Directors. The details of the other committees, boards and panels are given in summary immediately below at this stage.

Sub-Committee Structure

9. There shall be a Programme Board for each award (e.g BVC, LPC, GDL, MBA). The PB shall meet termly to address matters of course administration and quality assurance. It shall comprise the Programme Director, leaders of full and part-time routes, and subject leaders, the programme registrar and course administrator shall attend ex officio. The PB shall report to the Education and Training Committee.
10. The Programme Committee shall comprise all members of the programme team for all routes. It shall meet at least termly to consider matters of delivery and development. The PC shall report to the PB
11. Subject Teams shall meet weekly during the teaching cycle to review and preview teaching sessions. The meeting shall be used as a forum to capture ideas about subject delivery, amend tutor notes, induct junior staff and disseminate best practice. Subject Teams shall report to the PB.

12. Each programme shall have a Staff/Student Liaison Committee, which shall meet termly. It shall consider matters raised by students relating to the learning environment and delivery and assessment of the programme. It shall comprise a representative of each teaching group, the programme leader and route leaders. The SSLCs shall report to the PB.
13. There shall be a Validation Panel which shall be independent of any programme. It shall be chaired by an independent expert in legal education or business, and in quality assurance. In addition it shall be comprised of, at least, one member of a programme team not being scrutinized at that validation event, one external member and a member of the Academic Council. The Validation Panel shall report directly to the Academic Council.
14. There shall be a Board of Examiners for each programme. It shall be chaired by the Programme Director and shall include among its members the route leaders, subject leaders, course tutors and external examiners. The Board of Examiners shall report to the Education and Training Committee.
15. An Appeals and Concessions Sub-Board shall be established to investigate appeals, application for concessions and complaints received from students, according to the regulations, in advance of the Examination Board. It shall report and make recommendations to the Board of Examiners. It shall be chaired by the relevant programme leader (or his or her nominee) and shall comprise the at least three members of the programme team. The Appeals and Concessions Sub-Board shall report to the Examination Board.
16. There shall be a Student Disciplinary Panel/ Ethics Panel that will establish protocols and address charges brought against students such as plagiarism, collusion, non-attendance etc. It shall be chaired by the Dean of the School of which the student is not a member, and shall comprise at least two other members of the Education and Training Committee. It shall report to the Examination Board.
17. There shall be a Research Centre Board for the study and development of the professions. This shall comprise the Chairman of the Research Centre and the Deans of the Law and Business School. It shall report to the Education and Training Committee.
18. There shall be a Learning and Teaching Committee for the consideration, review and dissemination of best practice in teaching, learning and assessment across all programmes. The Chair shall rotate annually among the heads of training for the BVC, GDL and LPC, and comprise representatives from all programmes offered within the Schools. It shall report to the Education and Training Committee.

THE BOARD OF DIRECTORS**Composition**

Chairman
Chief Executive
Director of Marketing
Director of the BVC
Director of the LPC
Finance Director

Terms of Reference

1. To coordinate the multi-site executive management of the Law and Business Schools;
2. To develop and implement [REDACTED] business plan and marketing strategy;
3. To oversee all matters relating the day to day running of [REDACTED] e.g. estates management, finance and budgeting, human resources and staff development, security, health and safety.
4. To adopt and make provision for the recommendations of the Academic Council.

THE ACADEMIC COUNCIL**Composition**

An independent Chairman
Three independent members drawn from academe and the professions
The Principal
Dean of the Law School (ex officio)
Dean of the Business School (ex officio)
Director of Quality Assurance (ex officio)

Terms of reference

1. The Academic Council shall be the academic authority of [REDACTED] and shall take such measures and act in such a manner as shall best promote the academic and professional work of [REDACTED] and safeguard the standards of its awards, including:
2. When consulted by the Board or, by delegation from the Board, the Principal, advising the Board of [REDACTED] generally, on matters of an academic and professional educational character and in so doing its advice shall be informed by

recognised and accepted academic and professional standards both of relevant professional bodies and of UK higher education.

3. Giving advice or make recommendations to the Board on:
 - (a) The educational character and objectives of [REDACTED]
 - (b) The academic development plan for [REDACTED]
 - (c) The introduction and closure of programmes;
 - (d) Strategy for risk and change management;
 - (e) Establishment and closure of centres;
 - (f) Collaborative provision;
 - (g) Agreements with other validating, accrediting or awarding bodies;
 - (h) Awards, titles, and conferment of awards;
 - (i) Procedures for the suspension and expulsion of students on academic grounds, and
 - (j) An institution wide critical review and report for the purpose of seeking a renewal of degree awarding powers.
4. To establish policy and to approve regulations as appropriate governing the admission of students;
5. To establish policy, approve regulations and determine quality management procedures, as appropriate, governing the content and teaching of higher education programmes of study, including:
 - O The design,
 - O Mode of study,
 - O Validation and approval,
 - O Amendment,
 - O Annual monitoring,
 - O Periodic review and
 - O Closure of programmes of study;
6. To establish policy, approve regulations and determine quality management procedures, as appropriate, for the design and conduct of assessment at a standard appropriate to the award or award element, including:
 - O Assessment/examining boards,
 - O The appointment and duties of internal and external examiners,
 - O The submission and marking of summative assignments,
 - O Aggregation of marks,
 - O Progression,
 - O Final awards and classification;

- O Suspected cheating,
 - O Plagiarism and other irregularities.
- 7. To establish procedures for the award and conferment of qualifications and honorary academic titles.
- 8. To establish regulations and procedures governing student academic appeals and complaints.
- 9. To maintain oversight over operational practice in the implementation of academic policy, academic regulations and quality management procedures, including:
 - (1) by reviewing annual reports including:
 - (a) on student recruitment, admissions and induction;
 - (b) on the outcomes and action plans from annual programme monitoring;
 - (c) on the strengths and areas for attention in academic regulations and quality management procedures;
 - (d) on the character of the academic community of [REDACTED] judged against the criteria stated for institutions granted degree awarding powers; and,
 - (e) on performance set against indicators for measuring the academic standards of its awards.and to report with recommendations, as appropriate, to the Board of [REDACTED]
 - (2) by exercising a discretionary power to institute of its own volition an academic audit of centres, schools or programmes, or to conduct an academic audit of any issue(s) that raise institution wide interest/concern, involve institution-wide policies, or matters arising out of the Codes of Practice of the Quality Assurance Agency for Higher Education in the United Kingdom. Where an audit has been conducted the Academic Council shall report its findings to the Board of [REDACTED] and shall advise on any appropriate action.

THE EDUCATION AND TRAINING COMMITTEE:**Composition¹**

The Principal,
Director of Quality Assurance
Dean of the Business School
Dean of the Law School
Director of the BVC
Director of the GDL
Director of the LPC
Managing Director of London Branch
Managing Director of Leeds Branch
Managing Director of Manchester Branch
The Director of Library and Information Services
Head of IT

Terms of reference

1. The Education and Training Committee shall assist and support the Academic Council in the exercise of the Council's responsibilities as the academic authority of [REDACTED], and shall provide advice to the Principal if that advice is sought.
2. The Committee's overriding functions shall be to:
 - (a) safeguard the standards of academic awards and of professional qualifications, and,
 - (b) ensure that each programme of study is delivered in a manner that provides, in practice, a learning opportunity and resources which gives students a fair and reasonable chance of achieving the academic standards required for successful completion.
3. In carrying out the functions described above the Committee shall monitor and review operational practice in the implementation of academic policy, academic regulations and quality management procedures.
4. Consistent with the findings of monitoring and review the Committee shall make regular reports to the Academic Council, including recommendations on action plans to enhance academic standards and desirable revisions of, or enhancements to, academic policy, academic regulations and quality management procedures..
5. To assist it in its provision of advice to the Academic Council, the Committee shall receive

¹ All current members are ex officio.

- (a) from the Director of Quality Assurance and Enhancement an annual overview report, and other reports as necessary, on
 - (i) the effectiveness of the internal quality assurance processes;
 - (ii) developments external to [REDACTED] which have implications for the assurance of academic quality and standards, including developments in the Academic Infrastructure and in the requirements of relevant professional bodies, and;
 - (iii) where the Committee deems this appropriate, recommend action plans for the consideration of the Council;
 - (b) from the Director of Library and Information Services, the Head of IT, and the Managing Directors for each site, reports on the provision of resources and their appropriateness in supporting the student learning experience;
 - (c) from the Directors of Programmes, in their executive capacities and in their capacities as Chairs of the Programme Boards, and from the Chair of the Learning and Teaching Committee, reports on initiatives, best practice and issues in programme development and delivery, and learning, teaching and assessment methodologies and processes.
6. In fulfilling the duties set out above the Committee shall:
- (a) carry out such other functions as are set out for the Committee in the operational processes for the assurance of academic quality and standards that the Academic Council or the Board of Directors may from time to time determine.
 - (b) provide a forum for office holders for the presentation and debate of ideas, initiatives and plans for the development of academic and professional courses, and other matters that fall within the Committee's remit relevant to [REDACTED] mission statement and academic development plan.
 - (c) advise the Academic Council on those standing and specific matters that the Academic Council refers to the Committee for its advice. The Secretary to the Academic Council shall maintain a list of those items identified as standing items.
 - (d) undertake such other functions as the Academic Council may from time to time delegate to the Committee.



Appendix J – Sample documentation – Board of Directors May 2006 –
paper to consider the relationship between The College and Holdings plc

May 2006 BOD

**Relationship between [REDACTED]
[REDACTED] and [REDACTED] Holdings PLC**

1. I have kept Board members aware of developments by email. This paper updates colleagues on the current position.
2. The Academic Council (AC) has been pushing me to clarify the relationship between the two companies since essential support functions have been centralised. The AC were concerned to ensure there was a clarity of function and that Board members of [REDACTED] had sufficient powers to safeguard academic standards within the division.
3. At Appendix One I attach my March 2006 report to the AC in relation to the issue. At Appendix Two I attach my further May 2006 report to the AC. From these reports the independent members of the AC have pushed me to further clarify the relationship and explain what is happening with centralisation. As colleagues will know, I have held meetings with officers of the PLC and the Chair of the AC, [REDACTED] to resolve this issue. There have also been direct meetings between [REDACTED] and the new Chair of the PLC Board, [REDACTED].
4. It is now proposed that there be a formal memorandum of understanding between the two companies. I have circulated the draft to colleagues (see Appendix Three) and I would now ask for a formal resolution to seek approval to sign this memorandum

Decision One: Does the Board agree to the memorandum of understanding?

5. What does the memorandum of understanding mean for the everyday operation of the Business and Law School? Dealing with each significant issue in turn:

Autonomy

6. The Group has accepted that the subsidiary needs a degree of autonomy to ensure it can discharge its responsibilities as a provider of quality degree level education. The Group agrees with the establishment of the AC to assist the subsidiary in ensuring better transparency of standards and to have oversight on academic matters. The Group has also recognised that the local management team have built up significant strength in determining what resources are needed to safeguard academic standards. The Group therefore intends to set overall financial objectives (i.e. profit targets) in consultation with me as Divisional MD. In all other respects we have been permitted autonomy to manage the subsidiary.
7. We have been asked to act responsibly and not to reject centralised support simply because we do not like it. We have been empowered to think first of the group's desire to deliver high quality programmes of study.

8. Recognising that the subsidiary board of directors can be influenced by having Group directors present at meetings, [REDACTED], [REDACTED] and [REDACTED] have tendered their resignations to the Board. Since which, [REDACTED] has now resigned from the Group Board to concentrate on e-learning.

Decision Two: Do we accept the resignations of all or either of the Group Directors – [REDACTED] and [REDACTED]

9. Given the potential conflict I have also tendered my resignation to the PLC Board so that there can be no question of a conflict of interest. The CEO and Chair of the PLC Board have not accepted the resignation and have been in consultation with the Chair of the AC. All agree that it would be advantageous to have the Principal on the PLC Board although this is not automatically a position on the PLC Board.

Decision Three: Do we feel it is necessary for [REDACTED] to stand down from the PLC Board to ensure that there is no question of a conflict of interest between the needs of the PLC Board and the division.

Name

10. Colleagues will recall that the last company name change was brought about to identify the Law School with the rest of the [REDACTED] Group. It was the group intention that all [REDACTED] companies should trade under the name "[REDACTED]" and be seen as one company rather than several. [REDACTED] therefore encompasses crammer revision courses for external exams to full-time educational programmes leading to our own qualifications.
11. AC members have raised two objections to the name:
- a. Based purely upon the fact that they do not like [REDACTED] as it does not accurately describe our operations. Sir Alan Wilson¹ described it as more suggestive of an oil company than a higher education provider.
 - b. Based upon the confusion to students in deciding which [REDACTED] qualifications are within the framework for higher education and for which appropriate QA procedures are in place.
12. This later argument has been accepted by the Group officers and in principle there is an agreement to change the company name/the trading name. I have been asked to initially submit a proposal to the Group Executive Directors committee at PLC level. I would also like to consult with the Academic Council before making this proposal.

¹ Director General of Higher Education

13. I recently emailed colleagues with a number of alternatives, two of which seem to be leading contenders:

- a. [REDACTED]
- b. [REDACTED]

Decision Four: Do we agree to a name change, and if so, which name? What time frame do we envisage for implementation?

Human Resources

14. Currently the group are providing us with administrative support for HR and we have been asked to come into line with group policy in relation to various aspects of HR management. The Group HR Manager has provided me with a proposed SLA, see appendix four (previously circulated to Board Members with attachments to that document).
15. [REDACTED] has provided a note of how he envisages HR management going forward. I have been asked by the group to consider whether our proposed course of action is appropriate and to advise the Group Executive Directors of any changes we propose to make to group policies before we make them (i.e. the departure principle).

Decision Five: Do we want to manage HR internally within the Division (again)? If so, what are our reasons for this? Are there any immediate changes we propose?

Facilities

16. [REDACTED] has provided a paper for discussion. A draft SLA from the Group has been provided by [REDACTED], see appendix five.

Decision Six: Do we want to return management of facilities to the Division? If so, what are our reasons for this? What structure should we use?

Marketing

17. I submitted to Board Members a paper in relation to marketing and sought views as to whether we wanted to manage this within the division and use the group resource for "consultation" only. [REDACTED], Group Marketing Director, has agreed to this subject to clarifying with [REDACTED] his role. [REDACTED] under the impression that [REDACTED] does not want to have a reporting line responsibility for marketing.

Decision Seven: Do we want to return management of marketing to the Division? If so, what are our reasons for this? Who will be responsible for marketing?

Finance

18. [REDACTED] has now left the company and has been replaced by [REDACTED]. [REDACTED] is currently the financial controller reporting directly to [REDACTED] and may be based at [REDACTED]. [REDACTED] would prefer to be based at [REDACTED] and report in directly to me. In principle, [REDACTED] has agreed to this provided that [REDACTED] provides all necessary reports for the Group according to their timetable.
19. I would welcome Board members views on the continued operation of finance and in particular what we require of [REDACTED]

Decision Eight: Finance – what are our requirements?

Information Technology

20. Currently we have a centralised single point of contact support system and an ongoing central review of IT infrastructure. All aspects of IT provision are centralised. IT has been the largest single source of complaint by staff and students in the last 9 months. Having informally spoken to Colleagues two weeks ago, I immediately requested the return of IT management to the division. I have also spoken informally to our former IT management staff about the necessary IT infrastructure and support needed.
21. The Group's independent consultants are due to report on 21 July 2006. Group IT is being overseen by [REDACTED] following the departure of the group information officer, [REDACTED]. I have impressed upon [REDACTED] the need to act quickly as implementation dates for internet connections appear to be two months (i.e. start of term).
22. I will provide an oral update of my discussions at group level at the Board meeting (the meeting is after the circulation of this paper).

Decision Nine: Do we want to return management of IT to the Division? If so, what are our reasons for this? Are we equipped to manage IT, if so, how will we do it?
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Appendix K – Sample documentation – Academic Council September 2006 – paper for information on The College and TDAP

Ac Sep 2006

AC/2006/04 – Item 6b^a

and Degree awarding powers

1. The purpose of the paper

This paper is for information. There is no matter presented for decision.

2. Government policy on the grant of degree awarding powers.

2.1 Under the *Further and Higher Education Act 1992*, section 76, and the *Further and Higher Education (Scotland) Act 1992*, section 48, the Privy Council is empowered to specify institutions of higher education as competent to grant powers to award their own degrees. In exercising its powers the Privy Council was to seek advice from the appropriate territorial minister with higher education responsibilities. The appropriate ministers have sought advice from the Quality Assurance Agency. In 1998 the Quality Assurance Agency was invited to review the criteria used in determining its advice to ministers and in 1999 ministers approved revised criteria and the associated processes specified for assessing institutions. The Agency was invited to proceed according to these specified processes, and using the criteria, in giving advice to the relevant territorial minister. [redacted] Law School made an application for degree awarding powers under the criteria but the application was rejected.

2.2 In 2003 the Government's White Paper, *The Future of Higher Education*, Cm 5735, recognised the legitimate role of institutions outside the university sector in providing high quality higher education learning. The White Paper proposed that the criteria for assessing applications for degree awarding powers should be modernised to reflect the increasing diversity of higher education learning. (paragraph 4.34) Subsequently in revising the criteria for assessing the suitability of institutions for the grant of degree awarding powers and university title, QAA framed them so that they could be met by organisations providing high quality higher education teaching that fell outside the traditional university and college sectors; so that university title (and by extension degree awarding powers) could be granted to specialist institutions and institutions that did not meet the previous requirement for subject breadth; and, also, so that university title could be granted on the basis of taught degree awarding powers alone (without, as previously, requiring the grant of research degree awarding powers). (DFES, *Consultation on proposed new criteria for degree awarding powers and university title*, September 2003, paragraph 2.3) Arising from concern within the higher education sector about the Government's proposal that degree awarding powers should be granted, henceforward, on a renewable basis, rather than as a grant without time limit, the Department undertook a second round of discussions on this aspect of its proposals (DFES, *Renewable degree awarding powers: discussion paper*, May 2004). In July 2004 the Minister for Higher Education made a statement in the House of Commons, applying to England, which announced his decision on degree awarding powers. The aim was to

- make it easier for non-traditional higher education organisations to apply for degree awarding powers;
- make degree awarding powers for publicly funded higher education organisations indefinite, and for other organisations grant powers for a fixed term with renewal subject to satisfactory external quality audit;
- grant university title on the basis of taught degree awarding powers and numbers of students (allowing institutions without research degree awarding powers to gain the university title); and,
- remove the requirement that institutions must have students in five subject areas to be eligible for university title.

The Minister stated also that the “final criteria ... will ensure that high-quality and deserving institutions in the public and private sector can gain degree awarding powers and university title ... Strict criteria will still apply and to retain their powers organisations outside the publicly funded sector will have to prove that they are maintaining degree awarding power standards through a regular audit by the Quality Assurance Agency.” (Ministerial Statement, Departmental Press Release, 16 July 2004) Revised Criteria were published on 1 September 2004.

2.3 To sum up the new situation subsequent to September 2004:

(i) Organisations outside the publicly funded higher education sector are eligible to apply for, and be granted, taught degree awarding powers, research degree awarding powers and university title. Any grant is limited to a renewable fixed period of six years.

(ii) Revised criteria have been specified against which decisions are to be taken on the grant of taught degree awarding powers, research degree awarding powers and university title.

(iii) The grant of university title can be made on the basis of taught degree awarding powers, only provided there is an enrolment of at least 4000 full time equivalent higher education students. (The grant no longer requires at least 300 students in five separate subject areas.) The title of ‘university college’ will continue to be available to higher education institutions which have been granted taught degree awarding powers but which are not eligible for, or do not wish to use, the title of university.

(iv) Criteria have been introduced relating to the renewal of degree awarding powers.

(v) Under law a grant of powers cannot be made subject to conditions but criteria can be stated for the renewal of powers which has a related effect for organisations granted powers on a time limited basis.

3. Powers granted and criteria applying in assessment

3.1 Under the *Further and Higher Education Act 1992*, section 76 and 77, the powers that can be granted to institutions are distinguished as taught degree

awarding powers, research degree awarding powers and power to employ the title of university. Currently applicable *Guidance for applicant organisations in England and Wales* in respect of *Applications for the grant of taught degree-awarding powers, research degree-awarding powers and university title* was published in August 2004. This explains that powers may be granted in respect of taught degrees, research degrees and university title (paragraph 5). There is no suggestion in the Guidance, or elsewhere, that the scope of powers granted may be constrained otherwise than by those three categories though there are indications in the documents that the DFES did consider this possibility but decided against it. In the Consultation paper of September 2003 the Department reported that to change the categorisation of taught and research degree awarding powers would have required legislation and it had decided against legislating, relying instead on the revised criteria (paragraph 2.4). In a subsequent paper, the Department made the point that "there is no power to grant DAP on a future conditional basis (i.e. subject to continuing to meet specified conditions)" (DFES, *Renewable degree awarding powers: discussion paper*, May 2004, paragraph 2).

3.2 The Department's *Guidance for applicant organisations in England and Wales* (paragraphs 6-8) sets out General Principles that underlie specifically stated Criteria for assessing applications for the grant of powers. The General Principles are expressed in the following terms:

An organisation must be able to show the effectiveness of its present regulatory and quality assurance arrangements and its capacity to meet the expectations on academic standards and quality management as set out in the national Academic Infrastructure. [The Academic Infrastructure comprises the two Frameworks for Higher Education Qualifications (FHEQ), one for England, Wales and Northern Ireland, the other for Scotland; subject benchmarks; programme specifications; and the Code of Practice for the Assurance of Academic Quality and Standards in Higher Education.] In seeking taught degree-awarding powers, organisations should normally be able to demonstrate that they:

- have had no fewer than four consecutive years experience, immediately preceding the year of application, of delivering higher education programmes at a level at least equivalent to Level H of the *Framework for Higher Education Qualifications* for England, Wales and Northern Ireland (FHEQ) published by QAA;
- normally have the majority of their higher education students enrolled on study programmes which are recognised as being at Level H or above of the FHEQ.

... The applicant must clearly demonstrate that there can be public confidence, both present and future, in its systems for assuring the academic standards and quality of its degrees.

The criteria are designed to establish that the applicant organisation is a well-founded, cohesive and self-critical academic community that can demonstrate firm guardianship of its standards. To this end, the Agency will be judging, through its examination of the evidence provided, and against the criteria, the extent to which an organisation can engender public confidence in its capacity to maintain the academic standards of the degrees it offers in the UK and, where relevant, overseas...

3.3 The specific criteria are reproduced in Paper *Supporting statement to the application for degree awarding powers* (with Criterion A on pp.3-4; B1, on p. 19; and so on).

3.4 Criteria have been stated to apply to the renewal of degree awarding powers to institutions outside the publicly funded sector which have been made for the time-limited period of six years. The Department's *Guidance for applicant organisations in England and Wales* (Appendix 1, paragraph 8) states the following criteria:

The organisation has:

- subscribed for the duration of those six years to the QAA (or such other external quality assurance organisation as may be specified);
- been subject to an external audit by the QAA; and
- received a judgement of confidence in the organisation by the QAA at the time of the audit. Organisations which fail to obtain such a judgement will be given reasons for this by the QAA and will be required to prepare and carry out an action plan agreed between the organisation and the QAA. Completion of this action plan to the satisfaction of the QAA will be a criterion for the renewal of the organisation's degree-awarding powers.

In the event of non-renewal of degree-awarding powers, an organisation will be required to put in place secure and clearly stated arrangements to protect the rights and interests of students whose programmes of study may extend beyond the date when the powers lapse...

4. Processes in assessing applications

4.1 The Department has set out in its *Guidance for applicant organisations in England and Wales* (paragraphs 12-35 and Appendix 4) the process to be followed by the QAA and Government in reaching a decision on applications for degree awarding powers. The process involves the following stages:

- i) An organisation submits an application to the Privy Council Office with a supporting Critical Self-Analysis and a list of the evidence used by the applicant organisation to reach the judgements expressed in the critical self-analysis.

- ii) The QAA's Advisory Committee on Degree Awarding Powers (ACDAP) decides whether or not there is a case for considering the application further and undertaking a detailed scrutiny, or alternatively whether an exploratory visit should be made to the organisation, on the basis of which, the Committee decides whether to proceed.
- iii) Where a decision is taken to proceed, a small team of assessors is appointed to undertake a detailed scrutiny that is both intensive and extensive. In respect of applications for taught degree awarding powers this scrutiny can be expected to extend to one complete annual cycle of academic activity. The team of assessors express peer-referenced views on the detail of the applicant organisation's operations in the light of the stated criteria but make no recommendation on the application in submitting a final report to the ACDAP.
- iv) On the basis of the assessor's report, and if it considers this appropriate a visit to the applicant organisation by a sub-panel of the Committee, the ACDAP will formulate advice for QAA to offer on the application.
- v) The Minister will advise the Privy Council on a decision on the application.

The Department's *Guidance for applicant organisations in England and Wales* describes the renewal process as involving a QAA external audit. There is no information on the expected timing of such audit.

5. Recognised risks

5.1 In the consultation papers associated with the development of the revised policy The DFES identified certain risks in granting of degree awarding powers to institutions outside the public sector higher education. The chosen means for addressing risks was to grant powers to institutions outside the publicly funded sector for a time limited period of six years and make renewal dependent on QAA audit. The risks are discussed in the two discussion documents subsequent to the 2003 White Paper, *The future of higher education*, Cm 5735. Relevant passages are quoted from the two documents.

5.2 From DFES, *Consultation on proposed new criteria for degree awarding powers and university title*, September 2003.

Currently, degree awarding powers are granted to institutions indefinitely. We believe that this approach fails to manage fully the risk that organisations with DAP may, sometime in the future, seriously fail to comply with the criteria and damage both the reputation and standing of UK higher education and students' prospects. A sensible safeguard against such a risk is for future applicant organisations to be granted degree awarding powers for fixed terms - we propose six years - with powers renewable subject to a satisfactory institutional audit ... (paragraph 3.4).

5.3 From DFES, *Renewable degree awarding powers: discussion paper*, May 2004.

The Government takes very seriously the need to protect the reputation and quality of UK degrees. In a global marketplace for higher education, where there is increasing competition for international students, the reputation of UK degrees is one of our key competitive advantages. Recent research reports on international higher education demonstrate the potential growth in this area and the importance of safeguarding our well-earned reputation for high standards. An organisation with UK DAP can offer these degrees in many countries overseas and the scope for poor performance or dilution of standards by one organisation could damage the status of all UK degrees. (paragraph 3)

... It is not possible to make the granting of DAP conditional on participation in the current system of checks that apply to publicly funded institutions, through the Higher Education Funding Councils and the Quality Assurance Agency for Higher Education (QAA). (paragraph 4)

... Whereas we cannot make the granting of DAP conditional, we can require organisations to meet certain requirements for subsequent renewal ... (paragraph 5)

...granting indefinite degree awarding powers to an organisation that in future experiences a change in management, governance or financial health and dilutes the high standards associated with UK degrees could seriously damage the stability and reputation of the sector. (paragraph 8)

... The purpose of fixed term DAP is to manage the risk that sometime in the future an organisation could damage the standing of UK degrees and the interests of students... Conditions relating to the granting of public funding require the sector to have a regulatory regime that has served the maintenance of standards well. The need for Privy Council approval for changes to institutions' governance arrangements has also provided another form of stability. (paragraph 10)

In future ... there may be a range of organisations seeking DAP outside the publicly-funded sector... it is not possible to attach conditions to granting of DAP, and such organisations cannot be required to subscribe to the QAA by way of a grant condition, since they do not receive grant. If DAP were granted indefinitely to such organisations there would be a risk that commitments given were not adhered to over time, particularly with a change in governance or ownership of an organisation. The only mechanism for preventing an organisation that threatened a serious dilution of standards would be publicly to prospective students, which would further damage the standing of UK higher education. We do not believe non-traditional organisations present a very significant risk, as we would ensure that the governance, financial and quality assurance arrangements of the organisation were robust, but it is clear that the risks associated with them are higher in the absence of the regulatory regime that applies to publicly-funded institutions. (paragraph 11)

... There are risks associated with a change in ownership of private companies. In addition we do not have the same levers to address poor governance, financial, managerial and quality assurance arrangements in non-traditional organisations as we do in publicly-funded institutions...(paragraph 15)

5.4 In summary the primary concern is with the reputation and quality of UK degrees and the standing of UK higher education.

Specific risks in organisations are identified as:

- (i) having been granted degree awarding powers, subsequent failure to comply with the criteria applying to institutions with those powers;
- (ii) poor performance or dilution of standards when offering degrees overseas;
- (iii) change in management or governance, and/or change in ownership of an organisation with consequential dilution of standards and/or failure to adhere to commitments;
- (iv) poor governance, financial, managerial and quality assurance arrangements with effects on reputation and quality;
- (v) absence on the part of government of parallel instruments of control that apply to publicly funded institutions of higher education notably through attaching conditions to grants and the requirement of Privy Council approval to changes in instruments of government.

6. [REDACTED] and Degree Awarding Powers

Following the Government's adoption of a revised policy governing the granting of degree awarding powers, and after informal discussions with QAA, [REDACTED] submitted an application to the Privy Council in November 2004. Referring to the process as summarised in paragraph 4.1 above, at stage (ii) the QAA's Advisory committee on degree awarding powers (ACDAP) decided on an exploratory visit and a team was appointed to undertake this. As a preliminary to the visit [REDACTED] prepared a *Supporting statement to the application for degree awarding powers*. The exploratory visit took place in March and April 2005. In May ACDAP decided to proceed to the next stage (stage iii). The team appointed to undertake the initial exploratory visit was further appointed as the team of assessors to undertake the scrutiny at stage (iii). In January 2006 deferred further scrutiny till the start of the academic year 2006/07. For this further period of scrutiny the QAA appointed a new coordinator, [REDACTED], and it may be making other changes to the membership of the team of assessors.

7. [redacted] and reputational risks.

7.1 In applying for degree awarding powers [redacted] regards itself as an institution with, as the 2003 White Paper expressed it, a legitimate role outside the university sector which provides high quality higher education learning. [redacted] aim in applying for degree awarding powers is to widen its contribution. In doing so it seeks to enhance the reputation of UK degrees and of UK higher education. [redacted] recognises the risks identified by the DFES in its consultation and discussion documents. It is impressed at the same time by the strength of the safeguard that has been introduced through the granting of degree awarding powers for a time limited six year period and the criteria applying to the renewal of those powers. [redacted] is aware also of the different and additional controls which apply under UK law to the subsidiary of a public limited company registered in the UK and operating under relevant UK law. While the requirements applying in respect of governance and financial management are, in some respects, different from those applying to public sector higher education institutions, they nevertheless contribute to safeguarding probity and sound governance.

7.2 [redacted] has nevertheless sought to identify ways in which the risks identified in the Consultation and Discussion documents can be addressed. It has also attempted further to understand potential risks in the exercise of degree awarding powers whether in public sector or private sector institutions and has considered how [redacted] could address them.

7.3 Resulting steps that [redacted] has taken include:

(i) Institutional Governance.

In seeking degree awarding powers [redacted] is required to demonstrate that it meets specified criteria and the first of these concerns Governance and Academic Management. In explanation of the criterion the Department explains that "Degree-awarding organisations must be soundly based ... constitutionally ...". Neither in the Criteria nor in the associated Guidance for Applicant Organisations (August 2004) nor in the previous Departmental discussion documents is there an indication of what is to be interpreted as a soundly based constitution.

In public sector higher education institutions what constitutes a soundly based constitution is clear for corporations established after 6 May 1992 because this is specified in the Education Reform Act, 1988, as amended by the Further and Higher Education Act, 1992, at section 129A(1), (2) and (4) and Schedule 7A is explicit. An Instrument of Government is required and, under the Instrument, a Board of Governors in which a majority of members are persons independent of the institution and possessing a demonstrated capacity in industrial, commercial or employment matters or the

practice of a profession. The Board is responsible for determining the educational character and mission of the institution, for exercising oversight of its activities, and for its financial and human resource management. The Instrument assumes a subordinate Academic Board with a power to advise the Principal on the institution's academic activities. The Academic Board is established under Articles of Government. The rationale for this form of institutional government lay in a concern in Government for the effective management of public funds. However while the law places restrictions on the constitution of higher education institutions in receipt of public funds, there is no requirement in law that an institution granted degree awarding powers, which is not in receipt of public funds, has a particular form of constitution.

In these circumstances [REDACTED] has developed a constitution designed to meet the expectations for what would be regarded as soundly based for conditions that contrast with those of public sector higher education institutions. [REDACTED] is not, and will not be, in receipt of public funds. [REDACTED] Holdings Plc, and [REDACTED] as a wholly owned subsidiary, operate under the requirements of company, and related, law and of the rules of the London Stock Exchange. Both the parent company and the subsidiary have a proven record of effective financial management. On the other hand [REDACTED] does not have a track record in offering academic awards including of degrees. To secure a grant of degree awarding powers [REDACTED] has to provide convincing support for an assessment that it can engender public confidence in its capacity to maintain the academic standards of any degrees it may offer. [REDACTED] has interpreted its circumstances as being the obverse of those in public sector higher education institutions. It has retained its Board of Directors as the responsible body for the management of [REDACTED] (with responsibility in this regard to [REDACTED] Holdings Plc as its parent company) having judged that externality in the oversight of its operations is critical, not in its financial management, but in the conduct of academic affairs. It has, therefore, established an Academic Council with independent academic members whose position mirrors - and is intended to mirror - that of independent business and related members in the boards of governors of public sector higher education institutions. Additionally where the academic board in post 1992 public sector corporations is formally advisory to the principal, the Academic Council has powers in academic matters that reflect the powers of boards of governors in public sector institutions in relation to the management of public money. A second distinctive feature in [REDACTED] circumstances is that it is a wholly owned subsidiary. Were [REDACTED] an independent public company it could opt to constitute its board of directors as the board of governors in imitation of a public sector higher education institution's board. However the notion of having a majority of independent non executive directors is not readily to be reconciled with the status of a wholly owned subsidiary. Certain variations have

been considered but what is judged to be fundamental is the point made in the previous paragraph that in the circumstances of [REDACTED] the necessary place for externality, and for specified powers, is in relation to academic affairs, rather than in the other dimensions of institutional management.

At the same time there is an issue concerning its status as a subsidiary of a public limited company. [REDACTED] is the institution that has applied for degree awarding powers and to which any grant of powers would be made. [REDACTED] has to be able to act as expected of an institution with such powers, be able to engender public confidence, and discharge effectively responsibility for quality and standards. This requires that [REDACTED] has necessary powers. Both [REDACTED] and its parent company [REDACTED] Holdings Plc recognised the need here for a formal definition of a level of autonomy of [REDACTED] commensurate with what would be required of it as an institution granted degree awarding powers. This has been expressed in the Memorandum of Understanding between the Boards of [REDACTED] and [REDACTED] Holdings Plc.

(ii) Specifying the limit to the way in which degree awarding powers would be exercised in an initial period of grant.

[REDACTED] recognises the scope of the judgement that has had to be made hitherto in granting degree awarding powers. An institution granted taught degree awarding powers was receiving powers with wide scope. It was able directly to introduce award programmes at both first and higher degree levels in new academic fields; to mount programmes at additional sites; and to offer programmes by new modes of study, to franchise programmes to other institutions in the UK and overseas - all of which were different from what had been available during the scrutiny of its application for degree awarding powers. Scrutinies would have necessarily to be directed in part to helping the QAA's committee to decide what confidence could be placed in an applicant institution, not only to maintain the quality of existing provision, but to manage for the future new developments within the wide scope of taught degree awarding powers that would be available to the institution were degree awarding powers to be granted.

The revised criteria introduced in 2004 retain this as the position for public sector institution of higher education. As noted above (paragraph 3.1) the law has not been changed to allow for the grant of powers to be constrained. As a result an institution demonstrating conformity with the stated criteria for taught degree awarding powers in the liberal arts will continue to acquire the power to offer degrees also in the laboratory sciences and to franchise those programmes overseas in places in which it has no experience. For [REDACTED] and other similar organisations outside the publicly funded sector, however, the time limited period for which a grant is made and the requirements relating to renewal, allows for [REDACTED] to be explicit about the powers that it will exercise should it be granted degree awarding powers and for its exercise of those

powers, if granted, to be reviewed as part of the audit on which the renewal of powers would depend.

██████████ therefore set out in its Supporting Statement (paragraph 32 and Appendix 7) and in its Application for Taught Degree Awarding Powers (Executive Summary, section 7) plans for proposed award programmes. These comprised:

- masters programmes law, for example commercial law, building on the existing expertise of the Law School;
- a masters programme in accounting and finance;
- related programmes to the above such as law and finance, law and accountancy and/or law and human resources ;
- considering an undergraduate law degree programme as ██████████ experience developed;
- opening new centres for programmes where there is a clear business case for such centres.

Recognising from QAA reports available that hitherto one area of difficulty in maintaining academic standards and their quality of provision has been in franchised provision in higher education, and particularly in franchises overseas (as noted for example in DFES Consultation Report, July 2004, under option 2) ██████████ has ruled out franchising arrangements.

In specifying its plans, ██████████ has been mindful that while the grant of powers cannot be constrained, the renewal of powers is intended to take account of past practice and can act as a substitute for expressed constraints. By stating the way in which, should powers be granted, these powers would be used, ██████████ performance would be open to being assessed against that statement when the renewal of those powers was considered.

██████████ considers that this is a powerful instrument for addressing risks identified. It considers that failing to comply with the stated principles for the grant of taught degree awarding powers, and with the specific ones implicit in the Criteria, are most likely to feature in an institution which expands, and expands rapidly, into academic fields and into levels of higher education provision in which it lacks relevant experience and expertise. ██████████ has therefore set out its proposals on how it would use any grant of taught degree awarding powers in order to minimise risks discussed in the Governments papers.

7.4 Most notably in establishing the Academic Council and in the plans it has stated for how it would exercise taught degree awarding powers, should these be granted, ██████████ has responsibly addressed the risks Government has articulated in extending the grant of these powers to an institution outside the publicly funded higher education sector. ██████████ also assumes that the Criteria to be used in assessing applications for the grant of taught degree awarding power are to be interpreted in the light of the fact that a grant would be for a fixed renewable term of six years and that ██████████ has identified the uses to which those powers would be used.

8. The Criteria and the future development of [REDACTED]

8.1 The Criteria for assessing applications for taught degree awarding powers have necessarily been devised to cover a wide spectrum of institutions and there are two aspects to them which merit comment in the context of [REDACTED] further development. The first concerns the situation of specialist institutions; the second relates to the assessment of institutions over time for the continuing grant of degree awarding powers.

Understandably, as stated the Criteria relating to taught degree awarding powers appear to have been expressed in terms that would be most meaningful to institutions with a range of subject provision and operating across all levels appropriate to taught degrees. They appear also to envisage that institutions might be expected to introduce programmes in new areas over the unlimited time that applies to powers granted to higher education institutions in the public sector. To take an example, under the Criteria, Criterion A1, has the following final evidence requirement:

demonstrating the capacity of managing successfully the additional responsibilities that would be vested in it were it to be granted taught degree-awarding powers

This would present a significant challenge for a specialist institution providing programmes in one specific field if it was to be assumed that it had to demonstrate the capability of managing successfully the delivery of programmes across academic fields in which it had no intention to operate for the reasons that a grant of degree awarding powers is not constrained and the institution would therefore be granted powers that allowed for such programmes. [REDACTED] assumes that the Criteria are to be interpreted in a way that makes them applicable to specialist institutions. As noted in paragraph 2.2 above, the DFES reported that the Criteria had been revised “to allow institutions specialising in one subject area to become universities” (DFES, *Consultation on proposed new criteria for degree awarding powers and university title*, September 2003). It is appropriate in this context to be explicit that [REDACTED] mission is to be a leader of quality professional education and training. In its future development it will remain a specialist institution.

The Criteria appear also to be directed towards making a decision on the indefinite grant of degree awarding powers. This is obviously appropriate to applications from higher education institutions in the publicly funded sector. The point has been made above that this is not the situation of institutions outside this sector and that [REDACTED] has been explicit about the particular use of powers that it will make in the event of the grant of taught degree awarding powers for a fixed term. [REDACTED] is also sensitive to the further point that it interprets the granting of degree awarding powers for organisations outside the publicly funded sector as part of a continuing process of institutional development and not as a one-off decision which cannot be revisited or rescinded. [REDACTED] regards the process of applying for degree awarding powers, and possibly, in due course, of having an external audit and applying to

renew degree awarding powers, as a continuing process of reassurance in its further development as an institution of higher education focused - as its vision statement expresses it - on quality professional education and training. Its own approach therefore to the QAA's assessment of its application and way in which [REDACTED] regards the future is as a part of institutional development, and not as a conclusive one-off determination as it would be were [REDACTED] a public sector higher education institution.

[REDACTED]

Advisory Committee On Degree Awarding Powers

[REDACTED] College [REDACTED]
Application For Taught Degree-Awarding Powers

Institutional Assessors' *Final Report*

[REDACTED]

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INTRODUCTION

- 1 The origins of this report lie in the Committee's decision, at its meeting of 1 December 2004, to permit an application for taught degree-awarding powers from the then [redacted] Law School to proceed to scrutiny, and the Agency's consequential appointment of a team of institutional assessors to review the application.
- 2 The scrutiny commenced on 6 April 2005. By the end of the year, however, the assessors had reached the view that so numerous and extensive were the changes taking place that it would be impossible to report helpfully to the Committee by the scheduled date of July 2006. Not least among these changes was the transformation of the [redacted] Law School into [redacted] a private company and wholly owned subsidiary within the [redacted] Holdings plc group, a change entailing, *inter alia*, significant changes to the functions and membership of the Board of Directors. In addition, the institution had introduced a Business School; it was developing new campuses in Manchester and Leeds; it was significantly modifying its committee structure (which now centred on an Academic Council and Board of Directors as the focus of management and resource-related decisions, with increased operational delegation); and it had introduced a new staff training and development policy.
- 3 The assessors' view, which reflected not at all upon the quality of provision, was communicated to senior [redacted] staff, and both sides agreed that, subject to the Committee's agreement, the scrutiny should be suspended. At its meeting in February 2006, and again in September 2006, ACDAP endorsed this view, determining that the scrutiny should be reactivated in autumn 2006 with an interim report (Annex 1), and a final report submitted in mid-2007. This document constitutes that report.
- 4 By the time of reactivation, in October 2006 (Phase 2), the institution had again changed its name and constitution, and was now [redacted] College [redacted] (the College). Changes to the composition and coordination of the scrutiny team were also made: Professor [redacted] was replaced by Professor [redacted]; [redacted], formerly a team member, was appointed legal consultant to the team; and an experienced audit secretary, [redacted], was appointed to support the assessors. From the QAA end, responsibility for coordinating the scrutiny passed from Professor [redacted] to Professor [redacted].
- 5 The two sets of changes meant that it was necessary to commence Phase 2 scrutiny virtually *ab initio*. Accordingly the assessors held a further nine meetings with governors, staff and students of the College in London in addition to the eight which had taken place in Phase 1; they visited the Manchester and Leeds campuses and held meetings with staff and students of both; and they undertook a further 11 observations of meetings to add to the 16 which had taken place in Phase 1. Whilst no meetings took place in the Waterloo campus, the assessors visited the premises and noted the high quality of physical provision and learning support available there.

CRITERIA FOR THE AWARD OF TAUGHT DEGREE-AWARDING POWERS

A Governance and Academic Management

- 6 In preparation for Phase 2 of the scrutiny, the College outlined the many changes it had effected to its constitution, governance, management and

operations in a helpful *Update on developments within [redacted] College since the submission of the application for degree awarding powers (the Update)*. This document, including as it does appendices reproducing the *General Academic Regulations (the Regulations)* the terms of reference of all senior committees and boards, the draft Academic Plan and the Memorandum of Understanding between [redacted] Holdings plc and the College, proved a valuable aid to the assessors' understanding of the College's current governance and academic management arrangements.

- 7 One significant change in governance which has taken place since the end of Phase 1 of the scrutiny is that the College, whilst remaining a wholly owned subsidiary of [redacted] Holdings plc, has secured increased financial and strategic independence, with financial responsibility for its affairs resting with its own Board of Directors. Following careful scrutiny of the current Memoranda of Association and Agreement and the Articles of Association (approved at a shareholders' meeting in January 2007), the assessors formed the view that the safeguards now in place to protect the College's relative independence are sound under any reasonably anticipated circumstances. In particular the formal agreement between the bodies gives the College authority to determine its own academic, financial and developmental strategies.
- 8 Naturally the legal basis of, and procedures for, the governance of private sector organisations differ strikingly from those applying in the public sector. The assessors engaged in an interesting and helpful debate with senior members of the College on this point, in order to assure themselves that the key ends of public sector governance are met, albeit by different means. The College followed up this debate by submitting a written statement as follows:

The division of powers between the Academic Council and the Board of Directors reflects the diarchic structure characteristic of the pre-1992 universities. Powers in academic matters are assigned to the (Academic) Council in the way that they are to senates in many pre-1992 universities. Powers in respect of finance, staffing and the general management of affairs of the institution belong to the [redacted] College Board of Directors as they do to the University Council in pre-1992 universities. In other words, neither body has full powers in the way that in all post-1992 universities is assigned to the Board of Governors.
- 9 Whilst the assessors may question whether this is a wholly accurate portrayal of the relations between councils and senates at all pre-1992 universities, they do accept both that it correctly explicates the current relationship between College Board and Academic Council, and that this relationship has been meticulously negotiated. It is inevitably the case that [redacted] Holdings plc is in a position to modify or dispense with this relationship;¹ nonetheless, in that such a power is intrinsic to any application involving, directly or indirectly, a public limited company, the assessors assume that such a consideration lies outside their remit. In this context, therefore, they confirm that in all reasonably foreseeable circumstances the relationship between the Board and the Academic Council, expressed as it is in formal reporting, shared membership and the numerous less formal means of communication characteristic of a small institution, offers a level of governance and accountability appropriate to an institution seeking degree-awarding powers.

¹ It should, however, be noted that, whilst amendments to the Articles of Association and Memorandum can be made by the Board of Directors, the Board is currently obligated to give the Privy Council 28 days' notice of any intention to reduce the powers of the Academic Council and to fund any scrutiny that the Privy Council may deem appropriate.

- 10 It is clear that the College has benefited greatly from Academic Council's external membership and the independence of its chairman (who has, however, signified his intention to retire in September 2007), in being enabled to draw on members' wide experience in higher education and relevant professions. At an operational level, observations of meetings of both Board and Academic Council demonstrate that these meetings are focussed, strategic, inclusive and supportive of the need for continued investment.
- 11 Academic Council is considered to have been especially influential in catalysing the transition of the College from what the College acknowledges was a programme-driven regulatory and administrative model to an institution-wide one more consonant with higher education. This transition is manifest in numerous ways, viz. the creation of an institutional Registry; the appointment of an influential member of the management team as Academic Registrar; the implementation, in 2006, of institution-wide *Regulations* and procedures; the restructuring of committees and their areas of influence; the increasing formalisation of the staff development policy; the recognition of the legitimacy of scholarship; and the blueprint Academic Plan, which provides for the future activities of both Academic Council and Board.
- 12 Financially, the assessors were advised that the College retains all surpluses for reinvestment in the educational product, making no direct financial contribution to [redacted] Holdings plc. They were satisfied, following careful enquiry, that this arrangement is currently tangible not artefactual; it is also considered to constitute a sound basis for a mutually beneficial relationship between the two parties, reflecting, from the holding company's perspective, the value to shareholders of the College's developing reputation for delivering a high-quality product and the stability of rental income received from the College. The assessors saw evidence of robust financial systems and secure funding based on the College's continued capacity to attract students – a capacity there is no present or foreseeable reason to question. They noted in particular that the draft Academic Plan assumes the maintenance of intakes at approximately the same overall level within a more diversified range and level of provision. They have also been advised, however, that the College has formally committed itself to the following restriction on its use of taught degree-awarding powers should they be granted:
- [redacted] College [redacted] will seek to use taught degree awarding powers within two broad subject areas: Business & Administrative Studies and Law. [redacted] College's mission is serving the professional support services sector and those wishing to practise a professional discipline such as accounting, actuarial science, banking, finance, human resources, insolvency, law, management, marketing or tax. [redacted] College intends to use taught degree awarding powers consistent with this mission.
- 13 The wide-ranging structural changes have also clarified and strengthened the position of the Principal, whose position, terms of tenure and duties are specified in the Articles of Association in the context of the provisions of the Companies Act 1985. The Principal is appointed by, and accountable to, the Board of Directors, in all cases with the approval of Academic Council; the Board determines and modifies his duties, again following consultation with Academic Council. The Principal is *ex officio* Executive Chairman of the College Board and a member of Academic Council; in addition the current Principal is an *ad personam* member of the plc Board. The assessors, while noting the considerable strengths of the current Principal, nonetheless formed the view that recent changes to governance and management are such as to ensure that the College is not excessively dependent on his leadership.

- 14 The Memorandum of Understanding (reinforced by the Articles of Association) makes provision for the protection of the existing and residual interests of students in the event of financial exigency, ownership change, dissolution of the College or programme closure, charging Academic Council with responsibility for ensuring appropriate phasing. Whereas previously the Board of Directors exercised ultimate authority for academic decisions of this kind, the transfer of authority to Academic Council is now enshrined in the Articles of Association, the Memorandum of Understanding and regulation. The assessors particularly noted that, as the College has matured and its deliberative structure strengthened, a new balance has been struck between executive and collective decision-making, marked in particular by a significant increase in operational delegation since Phase 1 of the scrutiny.
- 15 The strengthening of executive leadership at campus level constitutes an important dimension of this increased operational delegation. It is now considered that the College's operations in Holborn, Waterloo, Manchester and Leeds have achieved a fit-for-purpose balance between proper central direction (achieved primarily by campus heads having College-wide executive posts and being members of key College committees, as well as by less formal consultative mechanisms) and an operational flexibility promoting local engagement and staff motivation. Such local academic leadership appears to complement but not duplicate that offered by deans of school and programme directors. The assessors also believe, on the basis of meetings with staff and students at three of the four campuses, that the needs of students at each location are formally protected and consistently addressed; in all cases students spoke in complimentary terms about the competence and commitment of their teachers.
- 16 The assessors have formed the view that the College has a robust annual planning cycle; an appropriate periodic review procedure encompassing sites, programmes and services; a professional approach to risk assessment; an evidence-based approach to policy making and evaluation; a commitment to achieving enhancement through the identification and dissemination of good practice; an effective and sometimes innovative approach to problem solving; and an increasing commitment to corporate and community responsibility.
- 17 Academic Council, which as part of its remit receives direct reports from all programme boards of examiners, is pivotal in the College's academic management structure. Its immediate junior committee is Education and Training Committee (ETC), which in turn receives reports from Learning and Teaching Committee (LTC), Staff Development Committee (SDC) and the Boards of the Law and Business Schools. These school-level bodies are in turn at the pinnacle of schools' own apparently comprehensive deliberative structures, involving programme boards (four in the Law School, three in the Business School), programme committees, module groups and staff-student liaison committees.
- 18 The effectiveness of the suite of committees is addressed in the next section of this report. Overall, however, the assessors consider that these committees now demonstrate a more extensive and positive engagement with the range of external guidance typically deployed within the sector than was the case in Phase 1. This change appears to be associated with a move away from a concentration on quality assurance towards an enhancement culture, and to have been facilitated in good part by the Director of Quality and Enhancement (DQE), appointed in 2005. The increasing self-confidence and maturity which of necessity underpin such a development have been marked, *inter alia*, by

the increasing use of external benchmarks as a basis for active engagement rather than passive compliance.

- 19 The criteria to be met in this section by institutions applying for taught degree-awarding powers relate to financial planning, quality assurance and resource allocation; compliance with legislation; engagement with external advice; internal communications; governance and management; academic leadership; stakeholder involvement; monitoring, review and corrective action; academic risk; change management strategies; assurance of academic standards; and the institutional capacity to manage the responsibilities concomitant with the award of such powers. The assessors are firmly of the view that, in respect of governance and academic management, the College's conduct is sound. In making this statement they note in particular that the College has no reliance on public funds, but operates as a self-sustaining commercial entity self-evidently enjoying the confidence of the relevant professional bodies.
- 20 The assessors have found ample evidence that the College is governed, managed and administered professionally and effectively, and that it has clear lines of accountability and communication. Sound financial management allows it to continue to invest in its already high-quality learning and support structure; its financial policy has the full support of [REDACTED] Holdings plc, and forms a strong link between the quality and standards of provision and the resource base. Discussions with staff at all levels have yielded evidence of a sense of shared purpose, supported by clearly delineated functions and areas of professional responsibility.
- 21 The College's academic leadership is considered to have both strength and depth. Its academic policies and systems are developed and implemented in a consultative and inclusive way, involving teachers and students, and it has sound systems in place to ensure that it remains responsive to feedback. Other stakeholders, notably the professions and professional bodies, are provided with ample opportunity to engage with the College in respect of all areas relevant to their areas of responsibility and concern.
- 22 The assessors conclude that [REDACTED] College [REDACTED] meets the taught degree-awarding powers criteria for governance and management.

B Academic standards and quality assurance

Regulatory framework

- 23 The College claims that since Phase 1 scrutiny the focus of the management of its higher education provision has moved from a preoccupation with meeting the individual accreditation requirements of professional, statutory and regulatory bodies (PSRBs) for each programme to developing a unified regulatory framework for all credit-rated programmes, modelled on best practice in higher education. For example, safeguards to protect the security and probity of the examination process, which, prior to the introduction of the regulatory framework solely reflected PSRB requirements, now engage actively with relevant aspects of the Academic Infrastructure.
- 24 Whilst the primary focus of this report is on the College's potential to award its own degrees and hence on its experience of higher education, given the College's present portfolio it unavoidably adduces part of the evidence for this from its management of its present suite of qualifications. In this regard it is relevant to point out that the College currently offers three one-year graduate or post graduate programmes and parallel part-time programmes subject to

external accreditation. In each case the requirements of the accrediting body are rigorous and include a consideration of the regulatory framework within which the awards are determined. Within the confines of the narrow range of awards involved, the relevant PSRBs have offered clear endorsement: between 2004 and 2005, for example the Holborn and Leeds legal practice courses (LPCs) were rated 'very good' and the Manchester and Waterloo LPCs said to provide evidence of 'commendable practice' in many areas.

- 25 As indicated previously, in 2005, a Director of Quality and Enhancement (DQE) was appointed, charged with developing policies and structures; and in 2006 Academic Council approved new and comprehensive *Regulations*, covering the criteria for awards, programme requirements and specification, the process of programme approval, monitoring and re-approval, admissions and student progress, assessment, external examining and appeals. The *Regulations* pay due regard to the *Framework for Higher Education Qualifications*, stating that awards must be consistent with it, learning outcomes at least match the appropriate descriptor within it and programme specifications and credit systems be in accordance with it.
- 26 The assessors noted throughout the Phase 2 scrutiny the close involvement of programme managers in debating and agreeing the content of the *Regulations*, which senior managers regard as the glue of the institutional approach, rather as (to change metaphor) they regard the newly-created ETC as the engine room of their interpretation and the Registry as responsible for their implementation, leaving the DQE free to focus on enhancement.
- 27 Overall, in the view of the assessors, the combined effect of these innovations constitutes a radical shift in the College's approach to the regulatory framework. The framework is now, in a way it was not at the end of Phase 1, firmly aligned with the expectations visited upon the publicly-funded higher education sector.

Defining and securing academic standards and ensuring the quality of learning opportunities

- 28 The *Regulations* specify a three-stage programme approval process involving strategic approval by the College, pre-validation scrutiny by a school review board (SRB) and validation by a College Review Panel with external membership, final approval coming from Academic Council. Programme approval lasts for up to five years; re-approval documentation is required to include a critical appraisal of programme operation and external examiners' reports. The assessors consider these Regulations in line with normal expectations of public sector higher education institutions.
- 29 As part of the present scrutiny, the validation process was observed in both schools. In each case the validation process was extremely thorough, with lengthy and detailed programme proposal forms and intensive SRB scrutiny. In one case the SRB report to ETC, while critical, involved a suite of recommendations for the programme development team to consider in making a re-submission, and from perusal of the revised documentation it is clear that the advice was heeded, with an enhanced product emerging in consequence. In this case, the College Review Panel, where discussion was led by two eminent external members with specialist expertise, interrogated the proposal at a general and conceptual level, engaging throughout with relevant external benchmarks as well as the *Regulations*.
- 30 In both cases the assessors concluded that the level of scrutiny, the constructive nature of the approach, the management of the process and the

outcomes collectively constitute evidence of a clear and effective approach to programme approval. They also concluded that the approach is understood and embedded not only in the practices but also in the culture of the College, with senior staff's concern to ensure that educational programmes align market demands with high-quality learning opportunities and externally recognised standards manifest throughout. Overall, the two validations gave the assessors no reason to doubt the College's motivation or ability, now or in the foreseeable future, to meet the expectations of an institution with degree-awarding powers.

- 31 In its *Regulations* the College specifies the purpose of external examining as assuring the academic standards of its awards and their comparability with those of other higher education institutions. The College's external examiners, who are drawn from a range of pre- and post-1992 higher education institutions and PSRBs, are required to scrutinise assessments, sample the work of students on grade boundaries and attend examination boards. In Phase 1 the assessors observed a range of such boards, and their reports indicate that, whilst the quality of chairing was a little variable, the boards were characterised by efficiency, effectiveness and secure decision-making; external examiners attended, played an appropriate role and noted examples of best practice; there was no cause for concern about either the preparatory work (including documentation) or the conduct of the boards themselves (including administrative support). Overall the College's boards of examiners can be said to operate with an efficiency and level of security appropriate to an institution with degree-awarding powers.
- 32 The *Regulations* require external examiners to submit an annual report to the Principal, school boards to consider all such reports as fall within their purview and programme leaders to make a considered response. In 2006 the College introduced for the first time its own reporting template; it is noteworthy that some external examiners chose to use this in addition to the form required by the relevant professional body, and that the form itself attracted positive comment. The DQE is responsible for providing ETC with an annual overview report covering all significant matters arising in examiners' reports – good practice as well as issues to be addressed – and school responses, and Academic Council with a summary report. The assessors noted that ETC, articulating as appropriate with LTC and supported by the authority of Academic Council, professionally and conscientiously ensures that all matters requiring action are properly addressed.
- 33 On the basis of observations and documentary evidence, the assessors are satisfied that external examiners' reports are appropriately considered at both institutional and programme levels.

Meeting learning objectives and intended outcomes

- 34 College *Regulations* require all programmes to be monitored annually. Programme leaders are responsible for producing annual monitoring reports, written following subject- and programme-level meetings involving all teaching staff; these draw primarily on progression and performance statistics, student feedback, staff peer observation, external examiners' and PSRB reports, and employer feedback. Reports are produced to a standard template, which requires the identification of good practice and weaknesses along with an action plan and report on the implementation of the previous plan. The report is scrutinised by two members of other programme teams before being sent to the DQE, who produces a composite report for ETC and, ultimately, Academic Council.

- 35 In meetings with the assessors, programme leaders pointed to other means by which consistency is maintained, notably peer observation, inter-site script moderation and regular inter-site meetings, whether face to face or by video conferencing. The assessors also noted documentary references to annual programme conferences, module team meetings, student evaluation surveys and meetings of staff-student liaison committees.
- 36 The fact that the College's provisions are subject to PSRB scrutiny yields additional evidence of the extent to which learning objectives are specified and met. It is clear that the outcomes of PSRB visits are overwhelmingly positive; and at an observed (and extremely thorough) Law Society review of LPC provision at the Manchester campus in the course of Phase 1, it was noted that College staff were confident, well-prepared and able to demonstrate that external models of good practice had influenced the institution of the programme.
- 37 Overall the assessors conclude that annual monitoring combines with a suite of internal and external events and procedures to ensure that learning objectives are met, and strengths and weaknesses identified and addressed.

Action taken to promote strengths and respond to identified weaknesses

- 38 Observations of the predecessor bodies of ETC and LTC undertaken during Phase 1 found evidence that, whilst the agenda items and discussion broadly met the reasonable expectations of a quality assurance committee, members tended to reflect on their own programme-based experience rather than taking an institutional-level perspective; and that decision-making, whilst adequate, lacked a degree of clarity and focus.
- 39 Observations and other evidence sources in Phase 2 make clear that noticeable procedural enhancement has subsequently occurred. For example, a review of the minutes and papers for the nine ETC meetings in 2006 demonstrated that, in addition to receiving routine reports and internal feedback from examiners and students, the Committee discussed a range of College-wide issues including external matters such as revisions to the QAA *Code of practice* and the Bologna Accord, as well as the College's own developing strategies for e-learning and learning resources.
- 40 Observation of an ETC meeting demonstrated that, in contrast to its predecessor body, the Committee discussed matters on an institution-wide basis (albeit at a predominantly operational level), that it interacted effectively with Academic Council and that it gave evidence of a growing culture of policy development being undertaken in the context of sector-wide practice. Similarly, observation of an LTC meeting, which discussed learning styles, large group teaching methods, e-learning strategy and site consistency reported positively on the high level of debate and an engaged ethos which was considered characteristic of the best of higher education.
- 41 The assessors also noted the establishment in 2006 of an Innovations Group, based at the Manchester office and charged with reporting directly to the Principal on 'open-minded "blue-sky" thinking, generating creative constructive ideas for the mid to long term'. The Group appears already to be contributing to developing the strengths of the College, for example in relation to developmental work on an enhanced virtual learning environment, now being taken forward by the newly-appointed Director of Knowledge Services.
- 42 Overall the assessors conclude that the new committee structure, along with the appointment of the Director of Quality and Enhancement, the Director of Knowledge Services, the Dean of Learning, Teaching and Staff Development

(see paragraph 45 below) and the establishment of the Innovations Group, are already and will in the foreseeable future enable the College to assure the standards of its awards and enhance the quality of learning opportunities deriving from its teaching and learning provision.

C Scholarship and the pedagogical effectiveness of academic staff

- 43 In its *Update* the College stated that of its 300+ staff, over 200 are academics; additionally a further 50 staff are hired for sessional teaching. For higher education lecturers the College normally expects a 2.1 level degree; for those teaching on the vocational bar vocational course (BVC) and LPC programmes a professional qualification with a minimum of two years post-qualification experience is expected.
- 44 An analysis of the *curricula vitarum* of academic staff undertaken for the present scrutiny confirms the appropriateness of the qualifications of teaching staff, with the majority of those teaching on academic programmes having postgraduate qualifications, and a number, including some who have been designated to lead the proposed LLM, having apparently good publication records, higher education teaching experience, current external examining positions with higher education institutions, experience of participating in validation events at other institutions and membership of committees established by professional bodies to review the programmes they regulate. In this regard, the assessors note that the outcome of one of the approval events observed for the present scrutiny (see paragraphs 29-30) was that validation was conditional upon the recruitment of more staff of high academic standing and with extensive experience of M-level delivery. The College claims to be confident that conferment of taught degree-awarding powers will enable it to recruit such staff, and the assessors are sympathetic to this view, not least because the College is at liberty to pay at or above the market rate.
- 45 In its *Update* the College provided details of its senior and middle management structure. The senior management team has been strengthened by the recruitment of experienced senior staff from the General Council of the Bar and the Law Society to the posts of, respectively, DQE and Dean of Learning, Teaching and Staff Development; while an internal appointment has been made to the post of Registrar. A senior academic has coordinating responsibility for each of the four campuses and each of the three current professional or diploma-level programmes and the three proposed M-level programmes has its own programme director. At middle management level there are 9 programme leaders, one for each main programme and form of delivery – full-time, part-time and distance learning – at each centre. On the basis of their meetings with staff having key programme management responsibilities, the assessors are satisfied that the College has staff with experience and ability appropriate to the development and delivery of degree-level programmes.
- 46 Details of induction, appraisal and staff development were not available to the assessors during Phase 1; the 2006 LLM validation documentation, however, provides a recent account of the process, supplying details of the induction course and accompanying classroom observation, the mentoring scheme, module-based training, performance review, higher degrees policy and the appraisal system. The same documentation describes the College-wide training programme, leading to the College Learning and Teaching Certificate. This programme, commended by the validation panel and renewed annually on the basis of evidence drawn from the mandatory personal development,

- involves peer observation and support groups, as well as training sessions on a range of topics. The assessors also note that the College's prospective developments include purchasing training in M-level teaching from the University of Warwick and securing Higher Education Academy Registered Practitioner status for the Learning and Teaching Certificate.
- 47 The directors of training claimed the staff development process is effective in engaging long-established as well as new members of staff; the London-based teaching staff who met the assessors were cognisant of, and enthusiastic about, the process; staff in Leeds and Manchester, while positive about the training and appraisal process, were less certain about current scholarship requirements.
- 48 Responsibility for staff development lies in the first instance with the appropriate director of training, who is in turn accountable to the Dean of School. Directors of training produce an annual training needs analysis and programme on the basis of user feedback, though the College stressed that they also react flexibly to new issues as they arise. Along with the DQE, directors of training are members of SDC, established in 2006 to ensure a College-wide strategic approach and identify a common core of training.
- 49 The first Annual Report on Staff Development, discussed by ETC in 2007, included a summary of staff development activity for academic year 2005-06 (based on a staff survey which attracted a 42 per cent response rate) and an action plan which identified the need to introduce a core induction programme and improve the effectiveness with which staff development issues are distilled from annual programme monitoring reports. Observation of the first meeting of SDC demonstrated that the meeting was evaluative and reflective in tone, and that staff development was increasingly integrated into the College's wider academic mission.
- 50 In the course of Phase 1 the assessors noted a Bar Council report drawing attention to the lack of motivation among staff to seek training and development outside the College. Since that time considerable progress has been made: in particular, responsibility has been allocated for ensuring that staff join relevant subject associations in addition to continuing their existing links with practitioner associations, and staff are encouraged to attend conferences by means of a £750 annual allowance. Indeed, a minority have given papers at academic conferences.
- 51 In response to a request from Academic Council to consider staff development in the context of delivering programmes in higher education, the College has produced an important position paper, *as a teaching led institution*. This paper sets out the underpinning principles of staff development on an institution-wide basis; stresses the obligation placed on all staff to remain up-to-date with relevant professional practice and academic research; acknowledges the intrinsic importance of research and scholarship; confirms that it will encourage such research activities as will further its profile as a professional training institution; commits itself to giving time to staff to carry out scholarly activities; and confirms that staff lacking M-level qualifications will be encouraged to obtain them in order to increase the number of staff permitted to supervise dissertations.
- 52 The assessors found that a number of staff currently funded to undertake study at M-level and above are receiving a *circa* 20 per cent reduction in teaching hours. Staff development sessions are being offered to raise research awareness and heighten motivation, and the College is currently

contemplating appointing a Head of Research and increasing the systematisation of its research monitoring procedures.

- 53 Recent PSRB reports on the LPC and BVC programmes indicate that staff development remains an area requiring further work. The College acknowledges that it has not hitherto been centrally recorded or managed, and is taking steps to introduce effective institutional-level oversight. Overall, however, and whilst further progress towards recording, defining and strategising staff development remains a medium term *desideratum*, the assessors consider the progress already made demonstrates the College's commitment to the place of staff development in enhancing its status as a learning institution, and is sufficient to demonstrate that the College has satisfied the relevant criterion for taught degree-awarding powers.

D The environment supporting the delivery of taught higher education programmes

- 54 Institutions awarding their own degrees are expected to have facilities and procedures that assure and enhance the quality of students' learning opportunities, thereby maximising their chance of obtaining the higher education qualification they are seeking; and mechanisms for ensuring that their teaching and learning structure is meeting its objectives and for responding to identified limitations in a timely and effective manner.
- 55 The nature of this application means that much that could be said for the first time in this section has already necessarily been described. To recap some key points, however, the College currently offers a suite of successful and well-regarded professionally accredited programmes in Law and Accounting; it is planning a further range of M-level programmes for which (see paragraphs 44-45) it is preparing by developing new procedures for programme approval, monitoring and review and by making significant anticipatory investment in materials, staff and support. These actions are underpinned by a new institution-wide regulatory and administrative model of academic management (see paragraph 11); by ring fencing the resource base (see paragraph 12); and by the operations of a radically revised committee structure (see paragraphs 38-40).
- 56 These innovations, together with both the requirement visited on programme leaders to identify the structural demands of any new programme in their proposal documents and the duty assigned to ETC to overview the resources needed to sustain and develop the learning environment, aim to ensure an integrated approach to academic development and resource allocation. For example, the assessors noted the manner in which ETC progressed the Innovations Group's proposals for an enhanced virtual learning environment (see also paragraph 41) through the committee structure to Academic Council and the Board of Directors, translating them into appropriate recommendations to each. They noted also the confidence which both Academic Council and the Board expressed in the Committee, and also that its recommendations set the College's own needs and aspirations in the broader context of the experiences of the higher education sector as a whole.
- 57 The College's current transition to a position in which the DQE is responsible for policy development and the Registry for implementation provides further assurance of the primacy of educational quality and standards in the College's activities, and of its belief that delivering a high-quality educational product is, quite simply, good business.

- 58 The College requires academic objectives and intended learning outcomes to be clearly specified in programme documentation, which is itself, like the programmes it describes, subject to the careful and conscientious annual monitoring already described (see paragraph 34). Additionally, the College's close working relationship with the legal profession, which has led, for example, to the LPC being designed to reflect the training requirements of eight City law firms, means it has longstanding experience of external engagement; while the accreditation requirements of the relevant professional bodies mean that it is already in the habit of meeting external expectations of structural provisions for teaching and learning.
- 59 The assessors consider that the learning support resources with which students are provided exceed benchmark expectations and could with benefit be emulated by some publicly funded institutions. These supports include hard copies of key texts, together with DVD and other downloaded materials, provision of which is rapidly becoming standard practice. On all campuses library facilities provide a range of texts, journals and electronic materials adequate to support both student learning and staff scholarship. IT facilities are extensive and, for the most part, readily available to students; part-time students particularly value the remote access arrangements.
- 60 The assessors also consider that the College's student support services, notably counselling and careers, which operate across all campuses, to be of high quality; students with special needs are identified and appear to receive appropriate support. All support services have systems for collecting and using consumer feedback, and the College takes reasonable steps to ensure cross-campus equivalence.
- 61 The assessors met students from all current courses and three of the four campuses. These students had a good understanding of the structure and delivery of provision, assessment schedules, workloads and performance expectations and the complaints and appeals procedures, which they considered effective and confidential. They reported that on arrival their induction had been thorough and helpful, equipping them for the challenges and requirements ahead, and training them to become informed users of the library, IT and other learning support facilities. They recognised the value of the supports available to them, including mock examinations and other aspects of formative assessment, as well as the continuing support of service areas; and they confirmed the timeliness (for the most part) and constructive nature of feedback on assessments and examinations. Concomitantly, the assessors formed a positive view of the effectiveness of academic staff's learning and teaching strategies, which appear successful in securing the link between learning outcomes and assessment and in ensuring that students are fully prepared for examination.
- 62 The students also confirmed the accuracy of the information provided for them about all aspects of College life and work. The assessors established that the Registry now has ultimate responsibility for ensuring that this situation is sustained; they also noted that the Registry claims to be making good progress towards centralising the statistical data necessary for course monitoring and delivering a 'student facing' information management system capable of meeting all College needs.
- 63 Students have the opportunity to provide feedback on service areas within their specific programmes, and believe their comments are taken seriously. There are a number of mechanisms through which they can offer formal feedback on their academic experience, including staff-student liaison

committees, module and course questionnaires and representation on Academic Council. They are not, however, currently represented elsewhere within the committee structure. Student feedback is monitored at both programme and College level, and students were able to provide the assessors with examples of appropriate responsive actions taken by the College. More generally students appear appreciative of the openness of staff of all levels to informal feedback and of the open-door policy in operation. These arrangements appear entirely satisfactory.

- 64 The main formal procedure open to staff members to make their views known indirectly to College management is the joint consultative meeting, where staff representatives can raise issues with members of the Board of Directors for discussion or resolution. The staff who met the assessors, however, were keen to stress that such meetings are just one of the range of opportunities, informal as well as formal, open to them to ensure the inclusion of their views in the deliberations of senior managers. In general staff appear to feel increasingly engaged in the College and sufficiently empowered to contribute to its development.
- 65 Overall, the assessors consider that the College has a well-developed teaching and learning structure to support current provision, and robust planning procedures capable of ensuring that this position is sustained. In addition to the internal mechanisms used to monitor this structure, PSRB reports provide comfort in respect of the College's track record in meeting the requirements and expectations of external as well as internal stakeholders. The College has in place facilities and support, both academic and non-academic, which, in the view of the assessors, maximise the opportunities for students to experience a worthwhile education and to obtain the qualifications they seek.
- 66 The criteria to be met by applicant institutions under this section relate to monitoring learning and teaching; feedback to and from students; information for students; learning support; student services; progression and performance monitoring; complaints mechanisms; staff development; accuracy of information; and equality of opportunity. Overall the assessors conclude that all the above criteria have been met, and accordingly that the College meets the taught degree awarding powers criterion in respect of the environment supporting the delivery of taught higher education programmes.

CONCLUSIONS

- 67 The first phase of the present scrutiny exercise, the whole of which has been undertaken in accordance with procedures specified by the Department for Education and Skills, took place between April and December 2005. In February 2006 the Committee determined that the nature and velocity of the changes taking place within the applicant institution (then the Law School) were such as to make it impossible for a reliable report to be produced. The present phase of the scrutiny took place, with a modified team but some continuity, between October 2006 and March 2007, by which time it had become clear that the College had in place the main elements of its quality management framework. As indicated previously (see paragraph 5), in addition to private meetings and the study of documentation, this phase entailed a further nine meetings with governors, staff and students in London (Holborn), Manchester and Leeds, and observations of a further 11 meetings, all in London. Whilst no meetings took place in the Waterloo campus the

- assessors visited the premises and noted the high quality of physical provision and learning support available there.
- 68 Unusually in a scrutiny of this kind the evidence adduced has of necessity been based in part on educational activities undertaken outside the publicly-funded higher education sector, and the College has only recently come fully to appreciate the significant implications of exercising taught degree-awarding powers. Nonetheless, the evidence of this scrutiny is that, after the period of rapid change coinciding with Phase 1 of the scrutiny, not only has it learned quickly what needs to be done but it has also actively embraced it. Members of the assessor team involved also in Phase 1 have noted the striking change in College culture as well as organisation since 2005, while new members have several times had to remind themselves in the course of undertaking observations that the applicant institution is not already an established provider of higher education. It is important to stress this point, since the assessors are acutely aware that the overall tenor of this report is positive, but on the basis of a narrow track record in higher education.
- 69 The nature of College governance has been as much a preoccupation for the assessors as it doubtless will be for the Committee. Nonetheless, the emerging issues during the unsettled period covered by Phase 1 have, in the assessors' view, all but disappeared. The College has negotiated a managed independence from [REDACTED] Holdings plc, permitting it, within the constraints imposed by company law, to create what aspires to be a coherent and integrated relationship between resource allocation and academic planning. Whilst it is too early in the present life of the College for the assessors to flag many achievements for this model, the assessors are satisfied that the model itself is defensible and potentially functional. For the present and foreseeable future the College will have no recruitment problems, it is increasingly able to attract high-quality academic and support staff – a trend likely to accelerate should it be awarded taught degree-awarding powers – and it is well-managed but no longer overly dependent on the Principal *ad personam*. In short, the College's newly developed model of integrated academic and resource planning is soundly designed, potentially liberating and geared to achieving not only quality assurance but also quality enhancement.
- 70 The College's new quality management system, involving as it does rigorous approval, monitoring and review procedures aided by appropriate externality, a clear and seemingly 'comprehensive deliberative structure with proper student involvement, the creation of appropriate executive posts and a professional concern with examination security and academic standards would not be out of place in a traditional higher education institution. In design the system combines the borrowed expertise of other such institutions with the College's own experience in meeting the requirements of professional regulatory bodies.
- 71 The College is actively encouraging professionally relevant research and scholarship among its staff, a number of whom have experience, as staff members, external examiners or external advisers, of public sector higher education. The College is in the process of developing a more effective and proactive staff development policy; its learning support of, and pastoral care for students appear to operate to a high standard; and students have a firm voice in quality management and consider that the College takes their perspective, interests and welfare seriously.
- 72 The assessors have made only tentative explorations of the implications of the status of the College as a wholly owned subsidiary for its application for

taught degree-awarding powers, having taken the view that it would not be proper or feasible to explore this area in any depth. There are a number of reasons for this view, of which the most relevant one is that, in accepting that the application should proceed in the knowledge of the College's status, the Committee effectively acknowledged its 'in principle' legitimacy in the light of the governing legislation.

- 73 It is inescapable that the structures described in this report, painstakingly negotiated as they have been, can offer few long-term guarantees. Not only can policies and priorities change in the light of changing financial scenarios or shareholder pressure, but a body with taught degree-awarding powers inevitably becomes a potentially attractive acquisition target for predators. These are matters which have been of concern to senior members of the College and others closely associated with its activities for much of the Phase 2 scrutiny; they are, however, deemed outside both the remit and the competence of the assessors, who restrict their comments to a statement of confidence in the integrity of the procedures which have been put in place and of those responsible for putting them there. The assessors also confirm that the College has without doubt placed itself at the quality end of the educational market on the basis that the reputational and economic value of providing a high-quality product constitutes a wholly acceptable return for the very considerable investment it has made in the College's quality management and teaching and learning structure.

- 74 In the light of these considerations the Committee is invited to:

- (i) take note
- (ii) consider the contents of this report
- (iii) in the light of it, determine how [redacted] College [redacted] application for taught degree-awarding powers should be progressed.

Professor [redacted]
Professor [redacted]
Mrs [redacted] (Consultant)

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